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HAITI: THE SITUATION AFTER THE DEPARTURE
OF THE U.S. CONTINGENT FROM UNMIH

Y 4. IN 8/16:H 12/3

Haiti: The Situation After the Depa... RING

BEFORE THE
SUBCOMMITTEE ON
THE WESTERN HEMISPHERE
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

FEBRUARY 28, 1996

Printed for the use of the Committee on International Relations



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HAITI: THE SITUATION AFTER THE DEPARTURE OF THE U.S. CONTINGENT FROM UNMIH

WEDNESDAY, FEBRUARY 28, 1996

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:50 p.m. in room 2172, Rayburn House Office Building, Washington, DC, Hon. Dan Burton (chairman of the subcommittee) presiding.

Mr. BURTON. The subcommittee will come to order.

I want to apologize to the participants and panelists who are going to be testifying today. We are working very hard on the Cuba conference committee bill, and we are negotiating with the President and the Administration, so it makes it difficult for those members who would like to be here with us today.

This meeting today is to continue our oversight of U.S. policy in Haiti. Tomorrow marks the fourth milestone in terms of the U.S. mission in that country. American troops are scheduled to end their dominant role in that U.N. Mission in Haiti.

Many of us on both sides of the aisle opposed the original U.S. intervention, myself included. We are very gratified that U.S. troops are being withdrawn safely and that we did not witness the repeat of the Somalia fiasco.

Nevertheless, we continue to be disturbed about key aspects of the situation in Haiti and about the direction of the U.S. policy.

It will do no one any good to ignore what is truly happening in Haiti, and we have no intention of doing so. The swearing in of President Preval earlier this month led to a media rush to declare success for democracy in Haiti. Like trained parrots, reporters and commentators repeated over and over again that the inauguration was an historic turning point for Haiti because it was the first time in that country's history that a peaceful transfer of power had occurred.

This superficial conclusion and attempt to sweep Haiti under the rug will simply not do. There are several outstanding questions that I hope the Administration can answer for us today:

What is the extent of official Haitian involvement in the rash of political murders we have seen?

To what extent has the Haitian Government covered up its involvement in these murders?

What does the new Haitian Government intend to do about privatization and economic reform?

Will the new Haitian national police be a truly professional and non-political force?

Answers to these critical questions will determine in large part whether or not this Congress will cooperate with the new Haitian Government.

I believe that President Preval deserves to have the benefit of the doubt, but we will be watching his performance very carefully in the critical areas of economic and political reform and respect for human rights, and we will react accordingly.

At the moment, we must be honest and recognize that the situation of Haiti is not what we would like for it to be. One of our witnesses today, Dr. Ernest Preeg, a former U.S. ambassador to Haiti, recently wrote, "Despite more than \$2 billion external support, including a U.S. military intervention to restore Aristide's Presidency and a massive economic recovery aid program, Haiti today is less stable politically and far more destitute economically than it was when Aristide was elected president. Recognizing this reality is the first step toward rectifying the situation in Haiti in helping to set that country on a course to democracy and prosperity."

Let me also state that I received a letter today from Secretary of State Christopher regarding Ambassador James Dobbins, giving him a number of pats on the back for his service down there. While I believe that Ambassador Dobbins has done some positive things, the fact of the matter is, he lied to this committee and he did it with knowledge that he was doing so. When we had a hearing to put his feet in the fire, he pretty much admitted that, and I think that is unforgivable. I do not believe any ambassador who has come before the Congress of the United States to talk about something as serious as the problems in Haiti should be misleading the Congress or even attempting to mislead us.

I also have a letter here from Senator Bob Dole which I want to put into the record. There are two paragraphs the Senator asked me to read. These regard the human rights violations in Haiti and President Clinton's verifying that the human rights problems are being made to stop.

The last two paragraphs are as follows:

"Mr. President (referring to President Clinton), the time for excuses is over. Haiti has been occupied by U.S. military forces for 15 months. The Haitian armed forces have been disbanded. Haiti is not at war. Haiti faces no real external or internal security threat. American taxpayers have paid billions to support your policies toward Haiti. Yet your Administration has been mute in condemning Haitian Government death squads.

"After all that America has done for Haiti under your policies, continued Haitian inaction on political killings is unacceptable. It is time to assure the American people that not one more American dollar will flow to a government which refuses to investigate political murders by its own officials. The American people deserve an unqualified statement that the Haitian Government's refusal to investigate government-affiliated death squads will no longer be tolerated."

And so I will submit this for the record.

[The prepared statement of Senator Dole appears in the appendix.]

Mr. BURTON. I understand my colleague Congressman Foglietta is here and would like to make a brief statement.

Would you like to do that at this time, Congressman Foglietta?

Mr. FOGLIETTA. If I may.

Mr. BURTON. If one of you gentleman could just let him in there. I apologize, but we always show deference to our colleagues, even if we are of different political philosophies.

Congressman Foglietta.

Mr. FOGLIETTA. Excuse me for a moment, Mr. Chairman. I had a little problem with my eye, and I have got some special glasses here.

Mr. BURTON. I hope you get better.

Mr. FOGLIETTA. Thank you, sir.

STATEMENT OF HON. THOMAS M. FOGLIETTA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. FOGLIETTA. Mr. Chairman and members of the committee, if they were here, I thank you for allowing me this opportunity to appear before you today to discuss a subject of great importance to our nation and the world community: Haiti in its struggle for democracy, its struggle of its people for freedom and economic empowerment.

I hope to help you answer the question that faces us today in this hearing, and that is: "What happens when the U.N. forces leave?"

I for one am optimistic about the future of Haiti. I am optimistic now, as I was not optimistic before our troops landed.

For the first time in Haiti's 200-year history hope is alive in Haiti. And hope is a first giant step toward genuine democracy and real economic progress and empowerment.

I visited Haiti 4 months ago, my fifth or sixth trip in the last 3 years. My first trip in 1993 took place before President Aristide's return to power; and I saw the horrible scars from the meanest violence that you could possibly imagine; desperate poverty, children trying to refresh themselves at the mouth of a sewer. And I saw the horrible fear that plagued that nation.

But the faces of those Haitian people changed upon one of my subsequent visits, after Jean Bertrand Aristide returned to power in 1994. And he did that thanks to the intervention of the United States.

I saw Haitians cleaning their streets and their neighborhoods. I saw Haitians rebuilding small businesses and fixing and cleaning schools and classrooms.

The strides that we have made to restore peace, democracy, and economic development in Haiti are enormous. Let us compare the world facing Haitians now as compared to 3 years ago.

I was there in 1993 on a Saturday morning, and I went to visit the Sacre Coeur Church. The priest came out to greet me and told me that the Sunday before that, at the 9 a.m. mass, there were between 500 and 700 people attending holy mass at the Sacre Coeur. And while the mass was going on, a group of nine or ten government hoodlums walked to the second or third aisle, reached into the pew, took Antoine Izmary, a friend of Aristide's, from his wife

and three children, walked him to the altar, back to the sacristan, outside the back of the church, around the front of the church, had him kneel down before a marble statue of Jesus Christ on the cross, and executed him in front of 300 or 400 people.

That was horrible and that was tragic, but the priest pointed out to me that what was significant or more significant than even the murder was the fact that after committing this horrible atrocity the murderers did not run anywhere; they did not try to leave the scene of that killing; they brazenly walked back into the church, back up to the altar, and put a pistol to the head of the priest and said "You're next."

They did eventually kill him a few months later.

Then they turned around and walked out of that church and walked down the street laughing.

What was significant, Mr. Chairman, is there was no one to arrest them, no one to apprehend them because they were in cahoots with the government who were terrorizing the people in this nation.

And as sad as that was, it was just one of between 4,000 and 5,000 brutal murders that had taken place during that military dictatorship following Aristide's overthrow from office by General Antoine and General Cedras.

Thanks to the actions of President Clinton and the American men and women in uniform who have served in Haiti, these people, as many problems as they still have, no longer live in fear. A democratic government is there. A new rule of law has been established. A new president has been popularly elected. The army has been abolished, and a civilian-controlled police force, as difficult as it is for them, of fine, young Haitian people is being trained.

With the return of Aristide, Haiti's real GDP growth rate grew to 4.5 percent in 1995, the first positive growth rate in decades. One year before, in 1994, the GDP was a negative 10.6 percent. That same year, 80 U.S. companies, including AT&T, Motorola, Citi-Bank, had the confidence, among hundreds of other companies, to participate in six U.S. Department of Commerce business development missions to the country. And 25 corporations and non-profit organizations are members of the Commerce U.S.-Haiti Business Development Council.

Now the transition has not been without problems. I have been there. There are groups striving for power, and sometimes they are violent, no question about that; and I certainly do not condone any of that violence. But these are people who have seen their mothers raped, they have seen their sisters and brothers killed over the years. Certainly there are violent people. And when they see someone coming back in trying to take power who participated in those crimes, they do what they should not be doing, and that is killing people sometimes. It happens.

So I know from first-hand experience that criticisms about our role in Haiti have been inflated and often fail to accurately take into account the positive evidence of the progress we have made in Haiti.

In addition, we witnessed a peaceful and democratic transition of the government with the election of a new president, Rene Preval.

From this evidence of giant steps toward democracy and economic progress, I conclude that our mission in Haiti is a great military and diplomatic success story. The challenge in the coming months and years will be for us to help these people, not to try to tear them down and go back to the murderous dictatorial regime of Cedras and Francois but to help them rebuild their country, to build on the steps we have already taken.

I urge you, Mr. Chairman, and my friends in Congress, and in the international community, that we take every effort to help Haitians on their path toward peace, democracy, and economic stability.

Organizations like the International Monetary Fund, the United Nations, the U.S. Congress, the World Bank, and others will be critical to maintaining stability for these wonderful people. And I welcome their continued participation and leadership in this effort.

What is tomorrow for the people of Haiti? It depends primarily on us. It is a tomorrow of challenge. It is also a tomorrow of faith and hope. And that tomorrow has been defined by what we, our government, and our service people have accomplished there in Haiti. Let us continue to try to help those people.

Thank you for this opportunity.

Mr. BURTON. Thank you, Congressman.

Mr. FOGLIETTA. I would be happy to answer any questions.

Mr. BURTON. We appreciate your statement, and we are going to go on to our first panel. But if you stay and you would like to participate in the questions and answers, we would be glad to have you sit with us on the dais.

Mr. FOGLIETTA. Thank you, sir.

Mr. BURTON. We have our esteemed chairman of the International Relations Committee.

Mr. GILMAN. Thank you, Chairman Burton. First of all, I want to commend you for conducting this oversight hearing on the extremely important situation in Haiti and see where we have been and where we are going.

I want to commend Congressman Tom Foglietta for his statement and for his taking the time to share his thoughts with us. I would like to invite, Tom, if you would like to come up and join us up here.

I want to also thank our distinguished panelists, Ambassador Leonard, Mr. Christiansen, Colonel Coffin, for joining us today, also, Ernest Preeg, School Chair, and Peter Johnson, I see you out there.

I thank all of you for taking the time to bring Congress up to date on where we have been and where we are going.

Thank you, Mr. Chairman.

Mr. BURTON. Thank you, Chairman Gilman.

We are going to try to confine everybody to the 5-minute rule. Congressman Gilman and I are going to have to go back to the conference committee on the Cuban issue at 3 p.m., so we need to make sure we get through the two panels. Please excuse us if we are a little more abrupt than normal.

We have with us John Christiansen, director of the Haiti Task Force for the Department of Defense; Army Colonel Richard Coffin, Western Hemisphere Division for the Joint Staff; and John Leon-

ard, director, Haiti Working Group at the Department of State. We will start off with Mr. Christiansen.

Mr. CHRISTIANSEN. Mr. Chairman, the State Department representative probably ought to go first in order.

Mr. BURTON. Oh, I apologize. Ambassador Leonard, would you start off?

Mr. LEONARD. That is quite all right.

Mr. BURTON. I am still new at being chairman.

Mr. LEONARD. No, that is quite all right. I do not know whether I am the senior one of us or whether John is.

Mr. BURTON. Well, you and I have gray hair, so you can go first.

STATEMENT OF AMBASSADOR JOHN P. LEONARD, DIRECTOR, HAITI WORKING GROUP, DEPARTMENT OF STATE

Mr. LEONARD. Thank you. Since we are limited in time, Mr. Chairman, what I might do, since copies of my statement are available, I will try to summarize it very briefly.

Mr. BURTON. Your full statement will be in the record.

Mr. LEONARD. Thank you.

I think it is fair to say that the Administration believes that the use of our forces in Haiti since September 1994 has met the objectives that we set out at the time.

Those objectives were set by clearly the time of intervention. We wanted to restore the legitimate democratically elected authorities to power in Haiti. We wanted to dismantle the instruments of repression in Haiti, specifically the Haitian armed forces and those groups associated with it which had overthrown constitutional order. We wanted to assist the Haitians in creating a new professional and apolitical police force. And we wanted to help them reform their judiciary system. And we wanted to create a climate of security in which those achievements could function and a democratic process, such as elections, could go forward.

We had a transition in Haiti in March 1995 from the original U.S.-led force to the present U.N. Mission in Haiti. That went very smoothly.

Our forces, acting with the utmost professionalism and capabilities, established secure and stable conditions in Haiti.

We began this process of creating a new police force in Haiti, which is very important to the future of the country. Haiti had never had a police force before.

So in March we made this transition to the present U.N. force.

We are now facing another transition period. President Preval of Haiti has said that he would like the U.N. force to stay on in Haiti. We propose that that be done at a reduced level.

The force that would stay on, assuming Security Council approval of that, would not have U.S. forces participating in it. John and Colonel Coffin can describe the withdrawal schedule plans for our forces from Haiti.

But we do think that the continuation of an international force there, small though it may be, less than 2,000 people, is important given the relative inexperience of the new Haitian police force and the fragility of the country's institutions.

And so we support the idea of a limited extension of that force, as I say, at reduced levels. That is now under active consideration in New York.

As for the road ahead, we know that there are, indeed, many problems which Haiti faces; and we certainly do not underestimate—we believe that it is essential that the new Haitian Government create a climate which is capable of attracting investment, that it undertake sound economic policies, that it get the private sector growing and moving; because, quite frankly, that is the only way in the long run that jobs can be created.

We also believe that it is essential that they have, as I said, an apolitical, professional police force. We will continue to assist Haiti in that. We think that we have made a good start in helping the Haitians to begin to overcome the legacy of political violence which is the unfortunate history of that country.

But ultimately in the long-run, the Haitians are going to have to assume responsibility for guiding their own destiny. We can and should, together with others in the international community, continue to assist Haiti. It is important. It is a close neighbor of ours. And events in Haiti do have a way of impacting on our own situation.

But ultimately Haiti's people are going to be the ones who have to make the changes necessary. What we really have given Haiti, we think, is an opportunity to turn a corner. We see a lot of problems ahead on the economic side, as I mentioned. There is a lot more work to be done in Haiti on making sure their police forces are adequate to the job, that their democratic institutions are strengthened.

But, as I say, we think a real opportunity has been given to the Haitian people.

Finally, as our forces are in the process of withdrawing, I certainly for one would like to be among those who salute them for the job that they have done. I myself served in the Army for 3 years, and I have the greatest respect for our armed forces and their ability to carry out a mission such as that. They have done magnificently.

And I might add that our people in our embassy have also done absolutely outstanding work. They will continue to be there. They will continue to work to be engaged in Haiti as we believe is important in the long run.

Mr. BURTON. Thank you, Ambassador Leonard.

[The prepared statement of Ambassador Leonard appears in the appendix.]

Mr. BURTON. Mr. Christiansen.

STATEMENT OF JOHN CHRISTIANSEN, DIRECTOR, HAITI TASK FORCE, DEPARTMENT OF DEFENSE

Mr. CHRISTIANSEN. Thank you, Mr. Chairman.

A great deal has transpired since U.S. military forces entered Haiti on September 19, 1994. You will recall that Operation UPHOLD DEMOCRACY was conducted against a repressive military regime which had, since 1991, defied both the U.S. and international demands to restore the constitutionally elected government.

After diplomatic efforts failed to dislodge the de facto regime, the U.S. military prepared to use military force as a part of a multinational force known as the MNF. This was authorized by U.N. Security Council Resolution 940 in 1994, which called for the use of all necessary means to secure the departure of the coup leaders; to restore the legitimate government to Haiti; to create a secure and stable environment that would allow the people of Haiti to rebuild their country.

On the eve of the intervention, September 18, 1994, an agreement was reached with Haiti's de facto leadership that would facilitate the departure of the coup leaders and allow the return of the elected government.

Within hours the U.S. invasion force, which had been thought necessary, was able to reorient and redeploy to enter Haiti peacefully in order to carry out the provisions of U.N. Resolution 940.

The U.S.-led multinational force peacefully entered Haiti the next day and quickly achieved its initial objectives. The Haitian military leadership departed by October 13, and President Aristide returned to Haiti on October 15th.

Inherent in the U.S. forces' mission was the protection of U.S. citizens and U.S. facilities. The MNF operation was conducted through March 31, 1995, during which an excess of 20,000 American service men and women from the U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard served in conjunction with approximately 5,000 non-U.S. forces and civilian police personnel from 31 nations.

In the months that followed, the U.S. and coalition presence expanded throughout Haiti, providing a secure environment. Aggressive weapons control and reduction measures were instituted which led to the seizure of weapons posing a threat to the MNF and reducing the number of illegal weapons in Haiti.

Essential public services, such as electrical power, were restored to key areas. Direct assistance to the Haitian Government ministries by the U.S. military civil affairs specialists was vital to helping them reestablish functional governance.

Under the secure conditions provided by our military operations, a major international and interagency effort began to build a completely new professional police force for Haiti.

The exit strategy for ending our MNF deployment was the transition of UNMIH. On January 30, 1995, the U.N. Security Council passed Resolution 975 recognizing that a secure and stable environment existed in Haiti and authorizing the termination of the MNF mission and the deployment of UNMIH. On March 31, 1995, this handoff occurred without incident.

At its peak, UNMIH, approximately 6,000 military and about 900 civilian police officers, was able to sustain and maintain the secure and stable environment.

In addition to providing the Force Commander, Major General Joseph Kinzer, U.S. Army, approximately 2,400 men and women of the U.S. Armed Forces comprised the backbone of UNMIH with combat and support services such as infantry, special operations forces, headquarters staff, aviation, medical, and military police.

Like the MNF before it, UNMIH's military component expanded its presence throughout Haiti. Of note was UNMIH's significant

contributions toward enabling free legislative and Presidential elections. This led to Haiti's first-ever transfer of power from President Aristide to Rene Preval on February 7, 1996.

These many accomplishments of Haiti, under both the MNF and UNMIH, are due, in large part, to the professionalism and dedication of our armed forces. The U.S. military has performed superbly: acting decisively, responsibly, and humanely in carrying out a difficult and complex mission.

Though U.S. forces led this mission, great appreciation must go to all nations whose contributions to the MNF and UNMIH have made our efforts in Haiti a success.

Much remains to be done in Haiti, but the military role has markedly diminished. We see at this time no organized threat to the Haitian Government or the international presence. However, it is possible that opponents of democratic rule in Haiti may become emboldened by the reduced international presence.

The Government of Haiti has fielded a police force of over 5,000 with training and other assistance provided by the U.S. Department of Justice and other international contributors.

As noted by the Secretary General in his most recent report on Haiti, observers are nearly unanimous in their assessment that Haiti's new police force needs the support of UNMIH for a while longer in view of the potential threats to the government, the problem of common crime, and the inexperience of the Haitian national police.

The UNMIH mandate is set to expire on February 29, 1996. President Preval has requested extension of the UNMIH mandate, and the U.N. Security Council is considering the resolution which would extend this for several months.

My colleague from the Joint Staff Operations Division, Colonel Rick Coffin, is prepared to provide you with a short briefing on our withdraw plans. So I will not address that aspect of the DoD's involvement.

However, I think it important to note that after a small U.S. military transitional element for logistical support withdraws on or by April 15, there will be no U.S. military participation in the follow-on U.N. mission.

DoD will continue its engagement in Haiti on a normal, bilateral basis, through participation in activities such as Exercise FAIRWINDS, with the primary purpose of training U.S. forces. These deployments include both engineering and medical. Engineering projects include water wells, school/hospital renovations, and are similar to those done throughout the hemisphere.

Mr. Chairman, I see that my time has expired; and if I could offer to you the briefing by Colonel Coffin.

[The prepared statement of Mr. Christiansen appears in the appendix.]

Mr. BURTON. If you do not mind, we will put the rest of your statement in the record; and we will review that.

And we are interested in Colonel Coffin's statement.

Mr. CHRISTIANSEN. Thank you.

Mr. BURTON. Colonel Coffin.

**STATEMENT OF ARMY COLONEL RICHARD H. COFFIN,
WESTERN HEMISPHERE DIVISION, J-3, JOINT STAFF**

Colonel COFFIN. Mr. Chairman, I have been asked not to provide a statement, but in your packet you will find a short six-slide briefing entitled "U.S. Military Presence in Haiti, UNMIH Drawdown." And I will just briefly review the U.N. Drawdown Plan and the support the United States will provide after the UNMIH mandate is over.

Today we have slightly over 1700 U.S. personnel in Haiti. The mandate ends tomorrow, as we indicated. We will begin redeploying the U.S. security forces on Friday. Eighty-five persons of that 1700-man force represents a security force, and they will subsequently be out of Haiti by the 14th of March.

We will leave approximately 300 support personnel under U.N. control between the 15th of March and the 15th of April. They will continue to provide additional support to the remaining U.N. elements. And they, too, will redeploy by the 15th of April.

As indicated by Mr. Christiansen, the United Nations is considering a mandate extension; however, there are no U.S. forces to be included beyond the current mandate.

The third slide, basically, is a graph which shows the Drawdown Plan, the upper line being the U.N. Drawdown Plan, the lower line being the U.S. Drawdown Plan, which I will talk about in a little more detail in a moment.

The United Nations began their drawdown on the 1st of December, and approximately half of the forces have been redeployed by this time. Essentially they uncovered the outlying area initially. They are now in smaller contingents, primarily military police and infantry, as the Haitian national police stood up and took responsibility for the security mission.

Essentially the United States, Pakistan, Bangladesh, and Canada are the contingents that remain today. And the switch of control will transfer from the U.S. contingent commander to the Bangladesh contingent commander tomorrow.

The bulk of the forces that are in Haiti today are now concentrated mostly in the area of Port-au-Prince.

The U.S. drawdown on the next page essentially outlines how we are taking U.S. forces out. The Special Forces, eight teams that were deployed in the countryside, began redeploying on the 4th of January. Their redeployment is complete, and they are now back in the continental United States.

The only special forces are the special operations forces whose presence remains now are those individuals who continue to provide support for the force as a whole.

In the upper right of the slide is a box which essentially outlines the U.S. support forces that will remain in place after the 15th of March. They primarily are a small medical unit that provides basically triage care for anyone injured; additional logistics elements that have some small boats, small crafts, to participate in the re-supply effort. We have four helicopters which will remain to support the movement of the redeploying forces out of Cape Hatien back into Port-au-Prince. There is an engineer unit primarily concerned with taking down camps, and they will not necessarily re-

main until the 15th of April. They will simply redeploy when that mission is complete.

We have some members of the U.N. staff and the military information support team that I indicated for an upper limit of about 327 people, which will drop to about 227 when the engineers redeploy.

So that is essentially the residual component of our forces.

The next slide captioned "Mission Successes," shows how the military mission has remained successful; and we have created in Haiti the environment in which the democratic, legislative, and elected reforms have taken place. We have also assisted in the restoration of infrastructure in Haiti.

The last slide summarizes our continued bilateral deployments in Haiti in terms of FAIRWINDS. And these are essentially the same sorts of deployments and training that we do around the world. Two conditions must be met. One is it has to be at the initiation of the host government, and it must be a non-hostile environment.

We will continue to rotate engineer and medical units through Haiti to do humanitarian and civil affairs projects such as those listed: water wells, water distribution systems, school/hospital improvements. And that program right now is scheduled to terminate in 1997.

That briefly summarizes the Drawdown Plan and our continued involvement outside the U.N. Drawdown.

Mr. BURTON. Thank you very much, Colonel.

Mr. BURTON. I will yield to my colleague, the Chairman of the committee, because he is the boss and he has to leave.

Mr. Chairman.

Mr. GILMAN. Thank you, Mr. Chairman.

How do you envision Haiti emerging from its current economic crisis?

Mr. LEONARD. Well, I think, Mr. Chairman, the key really is for this new government to go back to the kinds of economic policies that President Aristide's government laid out a little over a year ago at a conference in Paris in January 1995.

His government laid out an excellent plan which involved a creation of an environment which would stimulate investment, reduce government spending, privatize state corporations—

Mr. GILMAN. Is Mr. Preval going along with that? Is he committed to that?

Mr. LEONARD. In our talks with him, we have emphasized to him the importance of adopting that kind of a program.

Mr. GILMAN. Is he willing to adopt it?

Mr. LEONARD. I think it is too early to say, Mr. Chairman, yet what kind of a policy he will adopt.

We are going to be looking, for example, at the kind of people he appoints to key ministries—Minister of Finance, for example—and the statements that he makes when he presents his cabinet and his government policy to the—

Mr. GILMAN. Is Preval committed to privatization?

Mr. LEONARD. Again, I think I would have to reserve judgment on that. He said that he understands the importance of it. But, on the other hand, the previous government said the same thing and was not able to continue and go forward.

So I think we would want to—while urging the importance of those measures, I cannot predict at this point how quickly the government is going to be taking them on.

They are crucial.

Mr. GILMAN. Mr. Christiansen, do you want to comment on that?

Mr. CHRISTIANSEN. Yes, sir. From the Department of Defense's perspective, the U.S. military and the international forces have basically helped to free the Haitian people from the yoke of an oppressive government system.

Mr. GILMAN. Could you move closer to the microphone?

Mr. CHRISTIANSEN. The U.S. military forces and the international forces which have participated in the mission of Haiti have served to help free the Haitian people from the yoke of an oppressive government.

We believe that we have provided them, we think, with an opportune environment from which they can now launch significant economic reforms.

Mr. GILMAN. We are talking about specific plans. Are there plans to do that? Is the administration in Haiti now committed to that?

Mr. CHRISTIANSEN. I believe that the administration is committed to assisting the Government of Haiti, yes.

Mr. GILMAN. I am talking about the Haitian administration.

Mr. CHRISTIANSEN. I believe that the Haitian Government is committed to this, yes.

Mr. GILMAN. Colonel Coffin.

Colonel COFFIN. I have no comment to offer.

Mr. GILMAN. Thank you, Mr. Chairman. I regret that I have to leave.

Mr. BURTON. Mr. Chairman, I will see you at the conference committee in a half hour.

Let me start off by saying, there are going to be approximately 327 U.S. troops left behind in Haiti, and it is our understanding that within a year we will have all of our troops out. I think we may be splitting hairs there.

There are going to be (according to the figures you have cited), about 1900 combining forces left behind from various sources, Canadian and others; and there are going to be costs incurred. The United Nations is scheduled to vote on this extension today; and because of Cuba and other issues, that has been put off until tomorrow.

Do you have any information, any of you, on how much it is going to cost and who is going to bear the cost of this?

So far we have spent about \$2 billion more in Haiti in this operation; and now we are going to extend this and we are going to have 1900 troops there. We pay about 37 percent of the U.N.'s expenses there.

I would just like to know how much cost is going to be borne by the United Nations and what it is going to cost and how much the United States is going to have to participate?

Mr. LEONARD. Mr. Chairman, I will defer to correction from my colleagues, but I believe that the estimate that the United Nations made for a 1900-person force for 6 months was on the order of \$50 million.

Mr. CHRISTIANSEN. About \$56.1 million is what we believe the estimate to be.

Mr. LEONARD. Thank you.

Mr. BURTON. Ambassador Leonard, pardon me for interrupting. But are we anticipating going beyond the 6 months for these forces there? If we are going to go beyond 6 months, then how long are we going to be there and what is the estimated cost for the total operation?

Mr. LEONARD. The resolution that is before the Council right now provides for an additional 6 months as the final extension of this mandate of the UNMIH force.

Now, as you say, Mr. Chairman, it is before the Council. The vote has been—I have just recently been told, as you said—put off until tomorrow. So we are coming down to the wire on this, and we just do not know at this point, cannot say exactly, when or how we will get approval for this force.

I think ultimately that we will. But it has gone down to the wire, as you said.

Mr. BURTON. OK.

Colonel COFFIN. Sir, if I could clarify for a moment. The 300 U.S. personnel who remain behind in support of the United Nations, if the mandate were not extended tomorrow, they would still remain in place and continue to support the drawdown because they are providing support for the force as a whole.

The condition for their redeployment are that they will redeploy when their mission is complete, as I indicated with the engineers; when they are replaced in kind by another force; or the 15th of April, whichever comes first.

And so I believe that their continued involvement, at least up to 15 April, is covered under the costs of the original U.N. mandate because the United Nations, even though the mandate terminates—phases forces out over about a 50- to 60-day period after the end of the mandate.

So the cost of them being there in Haiti and operating as occurred is covered under the current mandate.

Mr. CHRISTIANSEN. And, Mr. Chairman, this is strictly a transitional element. It will expire.

Mr. BURTON. I understand.

Mr. LEONARD. If I could just add one other thing, Mr. Chairman.

At this point, we do not know—because the situation is very fluid in New York—exactly how we are going to be able to achieve this extension of the UNMIH mandate. There is negotiation that has been going on up there for several days.

Mr. BURTON. We will talk to Madeleine Albright and keep an eye on that.

Mr. LEONARD. Yes, sir.

Mr. BURTON. Let me ask another question of our panel before I ask if there are any other questions from our colleagues.

And to my colleague from Florida back there, Mr.—what is your name—we would love to have you come up here and ask questions if you would like.

I would like to know about the political murders that have taken place. There have been plenty of political murders in the past year,

year and a half, including Mireille Durocher-Bertin who was shot in downtown Port-au-Prince in a busy intersection.

Our intelligence and our State Department told us, after the incident that she was not warned, and yet our FBI and our military knew about it; and they went to the Aristide Government and told them that there was a possible assassination attempt going to take place on this woman's life. And so she was warned, but had no protection. She was shot to death in downtown Port-au-Prince.

Thirteen people were under investigation. And the FBI went to Haiti and did some investigating. So far no resolution of that tragedy has taken place. We have not had the best cooperation from the Aristide Government nor from its successor. The Haitian Government was providing legal defense people because most of the suspects were members of the government, these very people who were believed to have been involved in this assassination.

Now that is very disconcerting, because we are propping up a regime in Haiti and now we are going to spend \$56 million more to keep the troops there to prevent chaos from occurring.

My question is: What has happened? Do we have any additional information on this murder? Are government officials that are still in the government involved? Or were they involved? And if we do not have any information on it, why not?

Mr. LEONARD. Mr. Chairman, maybe I could talk first to the matter of the warning to Ms. Bertin.

Our armed forces in Haiti at the time did get information about a possible plot against her. The people who we were told were involved in that plot were taken into custody.

There was discussion about warning Ms. Bertin and how to do that. The decision was made that the Haitian Minister of Justice would do so. We asked him to do so. We briefed him on it.

Mr. BURTON. He is one of the suspects, was he not?

Mr. LEONARD. No, sir. I do not believe so. I am not aware that he was ever in any way implicated in that.

Mr. BURTON. Do you know how many people in the government are under investigation for the murder of Ms. Bertin?

Mr. LEONARD. I do not recall the exact number, but I know that a number of people in the government or people who served in security forces, we have had information of possible implication in that crime and some others.

Mr. BURTON. Has the thought occurred that the possibility of her being assassinated was never told to her, as her family believes?

Mr. LEONARD. Well, I know the Minister of Justice assured us that he had done so. Ms. Bertin's family says that she did not receive a specific warning of that threat.

I am not in a position—and I do not know whether anybody is—to know for certain which way it was. The former Justice Minister, for whom we do have considerable respect and with whom we did work closely, assured us that he did. But I cannot tell you for certain whether it happened. As a result—

Mr. BURTON. Let me interrupt you.

Mr. LEONARD. Yes, sir.

Mr. BURTON. It seems to me inconceivable if somebody said there was going to be an attempt on your life, you would not have protection to take caution.

She was in downtown Port-au-Prince, on a busy street, in a traffic jam when they hit her. I cannot conceive of anybody who has been warned that they might be killed going into that kind of situation without some kind of protection.

And so for the Minister of Justice whom you think is a good man, to say that he warned her and her family almost stretches the imagination. Because had he done so, as he claimed, I cannot believe she would put herself in that position.

So can you give me any kind of indication of additional steps that have been taken to try to come to a conclusion on this matter?

Mr. LEONARD. Well, let me just say that we have brought to the attention both of President Preval and his predecessor, President Aristide, that we cannot continue to support police and security forces which have in their ranks individuals whom we have a reasonable basis to believe may be involved in political killings. And we made that very clear to both of them. We called for them to take appropriate action against any such individuals, and we are obviously very hopeful that such action will be forthcoming.

There will be a new government in power very shortly, a new cabinet with a new prime minister in Haiti; and we are hopeful that we will see some action on that.

Mr. BURTON. Well, as I yield to Mr. Foglietta, let me just say that I hope you will convey this to President Preval: I hope—and I think the Congress hopes—that any rogue elements in the police force or in that government who participate in political assassination should be ferreted out posthaste, because I think it has a lot to do with whether or not there is going to be continued support.

The patience of this Congress is stretched to the limit right now.

Mr. Foglietta.

Mr. FOGLIETTA. I thank the Chairman. I agree wholeheartedly with your last statement, that they must be ferreted out. If there is any person involved in political killings or any kind of killing, I agree with you that they must be ferreted out.

And I would suggest very strongly—and I will suggest very strongly to President Preval when I meet with him—that justice be imposed.

Let me just clear the record also. The Ambassador did not state that he believed that the Justice Minister was or did, in fact, inform Ms. Bertin. Rather he said he did, and her family said he did not. So, therefore, we do not know who was telling the truth.

Mr. LEONARD. I do not know.

Mr. FOGLIETTA. Also, just to put some of these numbers into perspective, we are talking about \$56 million more over a 6-month extension to try to bring stability and peace and democracy to a nation of 6 million people. And we all know that, especially those of us who have served on the Armed Services Committee, that \$56 million is the cost of around 10 percent of one B-2 Bomber.

So we need to put that in perspective as to what we are doing with our money here in the Congress of the United States.

Second, we talk about 20 murders in a period of one and a half years. Horrible. Horrible to have one murder. The fact is that there have been five times that many murders in my congressional district in the last year and a half.

Again, I am just trying to put things in perspective.

Going back to the original proposition, talking about privatization, I have urged as strongly as I could President Aristide and President Preval personally to move as speedily as they could on privatization.

But is it not true, Ambassador Leonard, that immediate privatization would precipitate a serious decline in employment immediately; although, in the long run, it probably would increase employment, the fact is, the move to privatization suddenly would cause an increase in unemployment?

Mr. LEONARD. There are some steps though, sir, which could be taken quite quickly I think. For example, privatizing a couple of state corporations which are not now currently operating and which, therefore, are not contributing to employment.

Bids have been, for example, made on I think it is a flour mill and one or two other state enterprises; and that would be a very good first step to proceed with that.

Your point is well taken, though, that broader privatization of state enterprises that are operating is extremely controversial in Haiti. There is great concern over the impact that might have on employment.

At the same time, it is a step which is going to have to be taken sooner or later.

Mr. FOGLIETTA. I thank you very much, and I urge the chairman of the committee to see what we can do in Haiti to try to bring peace and stability.

Mr. BURTON. I thank the gentleman for his participation.

Let me just say before I yield to my good friend Mr. Goss from Florida, one of the things we are negotiating today is an additional sanctions agreement on Cuba. I think everybody is aware of what has happened in the last few days by the Castro regime.

And we understand that before Aristide handed over power, he recognized Cuba and he did business with Cuba. I hope that in the course of questioning that you will make some comment about that.

The other thing I would like for you to do is to make the point that it was agreed when we went in to Haiti that there would be a move to privatize and involve the free enterprise system in this government. The government in Haiti has so far restricted that, and I hope the new president will move toward privatization.

With that, I am happy to yield to my colleague from Florida, Mr. Goss.

Mr. GOSS. Thank you very much, Mr. Chairman.

It is a pleasure see you, Ambassador Leonard, again.

Mr. LEONARD. Thank you.

Mr. GOSS. I apologize for coming in late. This is an area that is close to my district.

Mr. BURTON. Would the gentleman yield?

Mr. GOSS. Yes, of course.

Mr. BURTON. I would like to ask for unanimous consent to have the gentleman from Florida, Mr. Goss, take the chair because I need to go to the conference committee.

Without objection.

Thank you, gentlemen.

Mr. LEONARD. Thank you, Mr. Chairman.

Mr. BURTON. I will read very carefully whatever he says.

Mr. GOSS. [Presiding.] Thank you, Mr. Chairman.

I will follow up with a statement about Cuba. It is an area of concern to me as well.

We are interested, obviously, in Haiti and civil law and order. And that is in every sense of the word. It is not just about their economy or its politics. It is all of those topics we keep reading about in the papers.

One of the questions that obviously affects civil law and order is the degree to which former President Aristide is going to continue to exert influence on the Preval Government. And what are his actions going to be? What type of directions will he be able to give to President Preval? Does Aristide have influence on President Preval? To what degree? And what type of influence would that be?

It is in that area that I think the question about Cuba becomes relevant. I think that there is no dodging the fact that the gesture that former President Aristide made by his last-second recognition of Cuba was a very clear signal. But it does open the door for collaboration with Cuba and Haiti. It has the practical impact of doing that. And of Haiti possibly getting some help of some type, although it is hard to imagine one basket case helping out another basket case. Nevertheless, two basket cases make more trouble than one.

So I think it is a fair question to ask: What is the relationship going to be with regard to President Preval and an association with Castro?

And then I want your comments on civil law and order and the possibility of mischief either in Haiti or elsewhere and whether there will be mischief that will be contrary to American interests.

And then the other area that comes into this is the question—and this is one that attempts to get on the evening news—of the economy being so bad. And one of the things we would hope for at this point is a greater incentive for investment to help shore up the economy there and to begin to the process of having Haiti help itself. The Government of Haiti's direction in that area has been woefully unsuccessful, if in fact it has been serious at all about doing anything.

I would suggest that the U.S. taxpayers have been extraordinarily generous to the nation of Haiti in the past 2 years, to the tune of something in excess of over \$3 billion. Of course, that is not all Haiti. That is the total commitment. And I suspect that number is even more than \$3 billion when you add it all up.

So having made that sort of preamble to my general questions of this panel, going back to the civility question, the economy question, and then this question of the independence of Preval from former President Aristide and throwing the Cuba card into the mix now, I would be curious if you have any views about what the justification would be for spending more U.S. taxpayers' dollars and what prospects there are for peace and prosperity in Haiti.

Mr. LEONARD. Let me start with relations between President Preval and former President Aristide. They have had a very close relationship for many years. During the Presidential campaign, Mr. Preval referred to himself as Aristide's twin. They have worked together closely for many years, and I think that is likely to continue.

You know, there has been a lot of speculation about President Preval being overshadowed by President Aristide or somehow not getting out from under his shadow.

I think that President Preval is going to come out, he will stand on his own, I think that, inevitably as president, we are going to see that.

President Aristide is obviously going to continue to play a very important role in that country's politics. We will certainly continue to be talking with him and dealing with him. He is a very important political figure in the country. And he has given every indication that he thinks it is important that he continue to try and urge reconciliation on the Haitian people and that he will play a responsible role in trying to help them consolidate democratic practices there.

As for relations with Cuba, clearly that is not something that we welcome. On the contrary, it is something that we would have discouraged had we been consulted about it. And we are certainly aware to the possibility of Cuban mischief in Haiti. And that is something, obviously, we have to keep an eye on and watch.

You mentioned that Cuba is a basket case, and that is certainly the case in terms of their economy. But, nonetheless, the Cubans have shown a history of causing trouble elsewhere; and that is something that we are going to want to keep an eye on.

On the broader question of the economy, I would go back to what I said a little earlier. President Aristide's Government began with an excellent economic platform and program. And it came to an election year, at a Presidential election campaign, and the adherence to that program faltered. That is something that is not unknown in many countries.

What is now needed is to get back to that kind of program, a program which is based on encouraging growth in the private sector, cutting back the role of the government in the private sector especially by moving to privatization, exercising fiscal discipline, very strict fiscal discipline, and doing the things that are necessary to encourage private investment, both from Haitian businessmen and from foreigners.

A very important first step on that will be to resume negotiations with the Bretton Woods Institutions on some agreements that are outstanding that would provide Haiti with some very badly needed additional help. And that is clearly going to be an incentive to the new government to move quickly on that.

Over the longer term, I think that the prospects for Haiti, as difficult as their situation is now, are not entirely bleak. As I say, I believe that what the international community has done is to give Haiti the opportunity to turn a corner. We have given them an opportunity to achieve a strong measure of political stability; we have given them some breathing space in which to undertake necessary economic reforms.

Realistically, these things are going to take some additional time. But we believe that it is very much in our interest and in the interest of the international community to continue to provide support to Haiti to keep it moving along the hopeful direction in which they are now going.

Mr. GOSS. Would you be willing to comment on the outlook for civic law and order, as well? Who is the chief of police? Who is the new chief of police? How does that work?

Mr. LEONARD. Yes. Mr. Preval has indicated his intention to nominate a gentleman to be the new director general of the police. His name is Mr. Pierre Denize.

He is presently the head of a non-governmental organization in Haiti which has been very active in drug abuse prevention. And his name I believe either is or is going to be very shortly before the Haitian parliament for confirmation.

On the broader question of law and order, we understand that this is essential—that effective police and justice system is essential to political stability in Haiti, which in turn is essential to Haiti being able to turn that corner I talk about.

That is why one of the very first things we did upon going into Haiti was to begin plans and preparations to create a whole new police force that Haiti will have—that it does have now for the first time in its history.

We were quite insistent that this had to be an apolitically selected, professional force because only in that way could Haiti begin to get good law enforcement.

That force now numbers approximately 5,000 people. The biggest problems it has right now are, No. 1, lack of experience; and, No. 2, a lack of experienced supervisors. Right now there is a very serious shortage of supervisors.

And, quite frankly, in Haiti it is a problem. There are very, very few people who have any experience at police work. There are some people in the armed forces—or the former armed forces; but one does have to exercise some caution there because they are obviously associated with many of the abuses of the past.

So staffing the Haitian national police with effective supervisors is going to be one of the critical tasks facing the new government. And we are working with them very closely to try and help them to do that.

Mr. GOSS. Thank you.

Mr. Christiansen or Colonel Coffin, do you have any comments on the questions I asked?

Mr. CHRISTIANSEN. Sir, I have nothing to add on the economic front above and beyond what the Ambassador has noted.

I do agree with Ambassador Leonard, I think the police force is a relative green force, a new force.

Mr. GOSS. Colonel Coffin.

Colonel COFFIN. No, sir.

Mr. LEONARD. If I could just mention one other thing. One of my colleagues passed me a little note that I did not want to allow unpassed about—I guess going back to the business of the cost of the extended UNMIH presence in Haiti. We mentioned a figure of \$56 million.

I should point out that that would be the overall cost of which we would pay one-quarter, 25 percent.

So I just wanted to get that on the record.

Mr. GOSS. Mr. Foglietta.

Mr. FOGLIETTA. Yes. Is not one of the problems faced by the new police force is that they are, not only relatively new, but that they

are out-gunned by many of the soldiers of the former regime that are still around and by the crooks that are still around? And have they also overreacted in certain situations?

Mr. LEONARD. There have been, yes, sir, cases when we believe that the new police have overreacted, sometimes because they believe they, perhaps, were outgunned in certain situations.

On the matter of armaments, our forces in Haiti did collect a very large number of weapons, both from the old Haitian Army and in a weapons buy-back program that we undertook.

There are too many guns in Haiti, yes. Some of them are probably in the wrong hands. I think it is more, rather than the old opponents of the regime, the greater problem is one of gangsters, common criminals.

But, yes, having too many weapons in that country I think probably is a problem. And I know that the Haitian police do feel that they tend to be out-gunned.

On the other hand, because they are new, because they are somewhat green, I think one has to be careful in giving them too much firepower because they do not have the experience.

Mr. FOGLIETTA. Is not the government of Haiti now provided with crowd control programs and equipment?

Mr. LEONARD. Yes, sir. One class has already graduated from the police academy which went through a crowd control course. There is another one which I believe is scheduled for the future.

The class which graduated has remained together as a kind of a small unit. So they have the beginnings of that capability, yes, sir.

Mr. FOGLIETTA. Also, is it not true that the U.S. intelligence has supplied the Haitian Government with the information we have vis-a-vis various murders that might be perpetrated? Would they not be prepared to deal with that given the information we supply them?

Mr. LEONARD. I do not know whether I am really qualified to talk about the nature of our intelligence collection or relationships with the Haitian Government. I think I would rather defer on that question. And if I could, I will get back to you.

[Mr. Leonard's response: It is our policy to ensure that individuals are warned when plausible information is received of a specific threat against them. Since the March 28, 1995, killing of Mireille Durocher Bertin, we have made it a policy to ensure that the warning is made directly by a U.S. official to the person allegedly threatened. Such warnings have been delivered to a handful of individuals in Haiti since the U.S.-led intervention. Procedures are also in place to share threat information with both the Haitian Government and the U.N. Mission in Haiti. In the case of the former, we have sought to ensure that the Haitian Government has a clear understanding as to its responsibility for maintaining public order and security in Haiti. To that end we are currently working with the new leadership of the Haitian National Police to establish standards for investigating threats and deterring attacks.]

I think it is fair to say, though, that we do share with the Haitian authorities, information that we get about potential threats to the government should they arise. And I am not aware that that has been a major problem.

Mr. FOGLIETTA. One other thing. You talked earlier about various industries and businesses and things that could be privatized immediately. Could you supply me with a list of them?

Mr. LEONARD. Yes, sir. These cases are cases in which bids already have been submitted but have not been opened. And in, I believe, at least one or two cases these are enterprises which have not been operating for several years. But I will get you a list. The two mentioned most often are the state-owned flour mill and cement factory.

Mr. FOGLIETTA. Thank you.

Mr. LEONARD. Yes, sir.

Mr. GOSS. Thank you.

We will excuse the panel in a moment. I have three specific questions left over from other members and the staff which I would like to address with the panel before going to the next panel.

Just following Mr. Foglietta's question, I certainly agree that there has been a problem with too many guns in Haiti and some in the wrong hands.

But I cannot help but notice that many of the casualties in terms of law and order right now have been in crowds, innocent bystanders. Certainly the young lady, school girl who was standing and waiting for the school bus was not carrying a weapon when she was shot. And the reaction from the police force has been somewhat unprofessional. And I think your answer about lack of leadership and lack of experience clearly is something we are concerned about.

I have three specific questions. The first has to do with data coming into us about the impending veto by China concerning the continuing assistance of Haiti.

Could there be some negative consequences in the event China vetoes the resolution? Is there something that we should know about this situation?

Mr. LEONARD. On the situation in New York, I would simply say this is a moving train. A vote on this resolution has been put off until tomorrow to see if some kind of agreement cannot be reached on it.

China has indicated a number of problems that it says it has with the resolution in its current form, both in terms of the duration of the U.N. Mission, the time at which it would stay on, and the size of the force.

The Chinese also—well, this matter is complicated by the fact that China has no diplomatic relations with Haiti; and so that may also enter into the problem—the Chinese have not vetoed a resolution in the Security Council, if memory serves, since about 1972. And obviously we feel that this is not the time to start. Should there be a veto, clearly we will have to try to see what steps could be taken to achieve what we think is very important, the extension of this greatly reduced U.N. force in Haiti.

You know, I cannot, at this point, enlighten the committee on where we will come down and exactly how we will act in that eventuality, because I do not think those decisions have yet been taken in that eventuality.

Mr. GOSS. Going to the next question, the question is this: Going back to the 7 November shooting the question I have here is: Who has the evidence? Are we aware that they are making some links?

Mr. LEONARD. That killing took place in a district in Port-au-Prince back in November, I believe, which was, at the time, the re-

sponsibility of the so-called interim public security force, the interim police, that were stood up, consisting of ex-members of the Haitian military.

What I understand is that the investigation into that killing and the physical evidence involved is in the hands of the interim police, which have since been disbanded.

Whether or not the special investigative unit of the Haitian police which has been created to look into these possibly politically motivated killings has been able to take over responsibility for that investigation from the interim police, I am not certain. I do not think that that has happened.

There was one piece of evidence in that killing in the form of some shell casings which were briefly in the hands of, I believe, one of our RSO—that was briefly in the hands of one of our embassy personnel who rushed to the scene.

He turned them over to a member of the international civilian police who was an advisor to the IPSF. And that person in turn, we are told, turned them over to the IPSF.

So that is the status of that investigation as far as we know it.

Now, Deputy Fortune, we know he has made some allegations about the nature of his crime and who may have been behind it. We have not had a chance to talk with him privately about those allegations; so I cannot, at this point, give you more than what I just mentioned.

Mr. GOSS. Thank you. The third and last question I have: Does the State Department have some evidence of what we would classify as fraud, waste, or abuse on the part of the Haitian Government officials pertaining to either U.S. aid or international aid?

And I believe that would also apply to the election.

Mr. LEONARD. I personally am not aware of any concrete evidence that we have of that kind of waste, fraud, or abuse involving certainly our AID funds.

I would have to look and see if we have any such information about the use of international funds. But, again, that does not strike a bell with me.

There have been reports of government spending during the first quarter of this fiscal year, during the period leading up to the Presidential elections, in which the Haitian Government, as I said before, like a number of other governments, engaged in spending beyond what we had been led to believe the budget indicated.

But as for the spending of international aid funds and certainly our own funds, no, I am not aware that we have any substantial information on that kind of abuse. But I will certainly look into that. And, if you would like, we can get to you with a definitive answer on that.

Mr. GOSS. I would very much like to pursue the specifics of that question. I consider that open ended, and I do not think the audits are complete yet. It may be based more on rumor than fact so far, so I would be like for you to supply an answer for the record on that question.

[Mr. Leonard's response: No. We have no evidence of such waste, fraud or abuse. As you know, in the case of U.S. aid, the GAO is currently conducting a review of financial oversight mechanisms and accounting procedures for our entire aid program. We believe we have adequate safeguards in place that would have revealed any waste, fraud or abuse. We nevertheless welcome the GAO review.]

Mr. LEONARD. Thank you.

If I could just add one last thing on this point. I know there has been an audit going on by the GAO, for example, for the election funds, our assistance to the United Nations and its assistance to the Haitian electoral commission. Both an audit and review by AID itself and I understand—is it concurrently, Mike, also by GAO?

Yes, so there is an audit going on both by GAO and AID's Inspector General, though I do not think we have the results of that yet.

Mr. KIM. [Presiding.] Thank you for that fine statement.

Congressman Foglietta, do you have any questions?

Mr. FOGLIETTA. No, thank you.

Mr. KIM. OK. I do not have any questions for this panel. I want to thank you very much for participating this afternoon in our hearing. Thank you.

Mr. Preeg, Mr. Johnson, on behalf of the subcommittee, I would like to thank you for coming today. Please give yourselves plus or minus 5 minutes to give your statements.

Mr. Preeg.

STATEMENT OF HON. ERNEST H. PREEG, WILLIAM M. SCHELL CHAIR FOR INTERNATIONAL BUSINESS, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. PREEG. Thank you, Mr. Chairman. I will try to summarize my written statement, which is available for the record.

My basic point is that the situation facing the new Preval Government is very grim. And in key respects, it is more threatening than the situation that President Aristide faced during the past 16 months. This is in terms of the political mandate, the internal security system, and the economic situation. It has been a long crisis and is now getting worse.

In political terms, the political mandate between the two presidents is quite stark to contrast. President Aristide was elected in 1990 in what was, for Haiti, an extraordinarily free and openly contested election, encompassing a full range of political parties from left to center to right and including outspoken debate in the media and after which the losing candidate, however grudgingly, had to accept the results.

And that made a difference. When President Aristide came back, there was no question about his mandate and also his popularity.

In contrast, the election of President Preval last December was seriously flawed in a number of respects. The provisional electoral council was challenged by opposition parties. The media was harassed, with a few members beaten, and they were effectively silenced. It was a very brief election campaign. All of the centrist and conservative parties boycotted the election. They had won a third of the vote 5 years earlier. And the turnout was estimated to range from 15 to 28 percent. It was very low.

So you have President Preval with a much shakier political mandate.

It is also less clear—well, it is clear that, to me at least, that President Preval does not have the same kind of almost unquestioning support from his broad political base, center, left, Lavalas, and other movements as is apparent in his initial attempts to form a cabinet.

As to the internal security situation, again it is much more threatening. During the last 16 months, there has been a credible internal security force: It has been the U.S. force, which is now leaving. There will be a very small Canadian force. But mainly it is this new 5,000- or 6,000-person new police force in Haiti, which is untrained and untested. It has been mentioned that there really is no leadership structure yet, which could make a real difference in effectiveness. It is a much smaller force than was in existence in previous years in Haiti.

Haiti is a country of seven million people. A third of them are in the congested, politically volatile cities; two-thirds are in the countryside, very difficult, mountainous terrain. And one question is: Who is responsible for maintaining law and order in the countryside? It is not clear to me.

One other point that has been made about the new security force is the recent uncovering, if you will, of an independent Presidential palace guard, which is apparently more militant politically and probably better armed than the national police force. And there have been some friction and incidents already. And this is another throwback to earlier times where there has been a politicized police force in the palace.

As to the economic situation, there is attached to my statement a recent op-ed piece in which I tried to explain what was, in effect, the Haitian aid bubble economy last year, 1995, and how this bubble is deflating rather rapidly.

The international community had a firm commitment to seeing President Aristide through his term; and the disbursement of some \$600 million was an extraordinary—and not to be repeated—level of aid to a country the size of Haiti.

It amounted to 25 to 35 percent of Haitian GDP. But it was linked to the implementation of various economic reforms to resuscitate the private sector, to recreate the jobs that existed particularly in the cities during the decade of the 1980's. That is critical.

And privatization, incidentally, is not principally the cement and flour mill factories that have gotten all of the attention. They are least important among the 11 firms that are public enterprises. The main ones are infrastructure: electric power, telephones, and the port facilities. They are not functioning. They are bloated. They are corrupted. They need to be brought under good management. Otherwise, there will be no resuscitation in the private sector.

Unfortunately, this bridging aid bubble, because the economy was somewhat better last year because of the aid, was almost all used on temporary relief for the poor and budget support to pay the government payroll—that was another reform, the government was going to cut down the size of the government by half. They admitted when they came back, the Aristide Government, that the ministries, they have always been bloated, and committed to reduce them. But in fact they went up somewhat in size because of all this aid bubble.

So, consequently, the situation was that the aid has been expended, while unfortunately the Aristide Government's reform record was one of brave words but almost total non-performance.

And that is what the situation is now. There is 70 to 80 percent unemployment in the Port-au-Prince area, a political tinder box.

The aid is dropping rapidly. U.S. aid is going down by almost two-thirds which alone is a drop of 7 to 10 percent in Haitian GDP, just from the cut in the U.S. aid program.

Other aid donors this time around are saying: You have got to have implementation of reforms first. You have got to have projects that have lasting significance to help the economy. And what that does is slow down the disbursement of aid dollars.

So this is a deflating aid bubble economy effect.

What does this all mean?

It is a grim picture on all fronts. And that has to be understood in terms of what is next. In my own view, the United States does have a self-interest in seeing that Haiti regains a reasonable level of political stability and self-sustaining economic growth which will endure beyond 1996. I believe our policy has been very short term in its orientation without due regard for what happens next.

The U.S. interests in Haiti are important, particularly with regard to protecting our borders against large, illegal migration, drug trafficking, international crime, and other threats of that nature.

And, thus, the United States, in my view, should continue to provide strong economic support for the next stages of economic recovery; although, this time it should be conditioned more firmly on reform implementation by the Preval Government and provide, for the most part, through the private sector and private voluntary organizations.

The police training function should, likewise, be continued, conditioned in this case on the police functions being maintained non-political. And that certainly means no more political killings related to the new police structure.

If the Haitian Government fails to meet these minimum standards, it has no one to blame but itself; and there is little the United States can or should do to sustain it.

But at this critical juncture, it remains in the U.S. interest to continue its conditional strong support and hope for sharply improved performance by the Haitian Government.

Thank you.

Mr. KIM. Thank you. We will hold any questions until after the statements.

[The prepared statement of Mr. Preeg appears in the appendix.]

Mr. KIM. Mr. Johnson.

STATEMENT OF PETER JOHNSON, EXECUTIVE DIRECTOR, CARIBBEAN LATIN AMERICAN ACTION

Mr. JOHNSON. Thank you, Mr. Chairman and Mr. Foglietta.

I, too, would like to submit the written document for the record and give you my views verbally, summarizing and perhaps a couple of others.

The Caribbean/Latin American Action is an organization of some 120 American and Caribbean Central American companies that pursues objectives of economic development and political stability in that region.

Virtually all of the American companies that had been in Haiti during the more active business years of the 1980's and even today form a part of Caribbean/Latin American Action; and we have a task force of those companies that engages actively with the pre-

vious government, hopefully with the incoming government, and certainly over the past 15 years, with virtually every government, trying to improve the business environment, better the economy and improve the employment ratios in that beleaguered country.

I think I will virtually echo Ambassador Preeg's comments but in a different way. And I do not really believe the companies that I speak on behalf of see the problem as a complicated problem, frankly, but one of enormous political courage.

It is not complicated simply because the facts are quite clear. If we are looking today at a budget—in an emerging budget deficit at the end of this year, as Haiti is, on the order of \$150 to \$160 million, the budget deficit—there is no way on God's green earth that it can be filled by revenues that come out of that economy. There is simply no way.

The only way that economy or political leadership can solve that problem is to do two things. One really it will accomplish—it will have two objectives, two results.

They simply have to come to grips with the privatization, structural reforms, financial reforms that the various international institutions are requiring of them. By doing that, they are really accomplishing two things. One, they are going to cover that deficit problem to a large extent because the funds are going to flow in.

And second—and this is what I want to dwell on a little bit—is they are going to begin to solve the problem of the business environment.

Today, as all of the companies that we work with and many others that we do not, will tell us no one is going to invest money in Haiti in the current investment environment. Haiti is simply not a competitive place to invest. There are too many other places in the Caribbean, such as Honduras such as the Dominican Republic, for the finite amount of foreign investment that is available, to risk putting resources into Haiti.

By also accomplishing the structural reforms, specifically the privatization, they not only improve the business environment—and I will take two of the institutions that Ambassador Preeg mentioned—they improve the telephone company and the electric company.

The telephone company in Haiti today has the poorest—the technical people, in telephone jargon, call it, I believe, the call-completed ratio. The telephone company has the worst call-completed ratio in the hemisphere, probably in the world; I do not know that, but I do know in the hemisphere.

This is an important business environment issue. Companies will not go and invest in a place where they cannot communicate with their markets, with their owners, or with their investors.

And the second, of course, is the electric company. The electric company has as an enormous drag on the budget of Haiti. It is an enormous drag. It is providing power 4 to 6 hours a day. And I come back to the same point: no investor is going to create a company and create jobs in an economy where you cannot communicate and you do not have power, leaving apart all of the other issues.

To capsulize that, to reduce the deficit, the structural reforms, the privatization has to occur, it will allow the flow of international

financial resources, the \$125 million, that is out there. That is not too far off the \$150, \$160 million.

But at the same time, they get rid of that—these enormous drags on the economy which they are supporting through bloated payrolls, through total inefficiency, that will begin to cover much of the rest of that deficit, that is, I am talking about electric; I am talking about telephones; and we can talk, if you wish, about the flour mills; and we certainly need to talk about the ports. And it goes on from there to the total of seven or eight or nine, whatever that number is.

But the port, the electric, the power, and the telephone are the key ones to create—are the key drags; and they also create—by fixing them, it will create the business environment we are talking about.

Now just to make sure we all understand the dimensions of the problem in terms of just the societal aspects of this, if you do not solve the budget problem, you are going to keep printing money to close the gap. You have got to pay the bills, so you are going to print the money. We could also—right now we can easily see the inflation rate which is moving steadily upward, quickly. That is simply causing, Mr. Foglietta, an impoverishment deeper than the deepest impoverishment that we have in this hemisphere today.

So it is absolutely the worst thing that we could have as we pull the troops out and seek something stable as we go forward. I mean, it is not a deficit or it is not a privatization problem, as I thought I heard you mention before in the earlier panel, that we have to go slow with this. I would argue just the other way: We have to be courageous and help the Haitians to understand that this has to be done as quickly as possible because the grinding impoverishment and inflation is going to cause the situation to be worse.

We are dealing, as Ambassador Preeg mentioned, as I would certainly agree, with a country which has had an 80 percent unemployment rate over the past 4 or 5 years. I cannot imagine living in that kind of an environment. But that is an 80 percent employment rate compared to the 40, 35, 38, 40 percent employment rate that existed in 1988, 1989, under the dictators.

It was an economy that was in some way functioning in those days. It can function, but courageous political decisions must be taken at the top to right the ship and right it quickly. The courage has to be applied. The pain has to be absorbed and get on with this. Because if we do not do it, all of these billions that we have spent of the taxpayers' money is really, I am just totally convinced we are going to look at 2 years from now and say: This was a complete waste of resources and energy from all of us, from the business side, the public sector, the Americans, the Haitians, and the international community.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Johnson appears in the appendix.]

Mr. KIM. Those were fine presentations.

Mr. Foglietta, do you have any questions?

Mr. FOGLIETTA. Mr. Johnson, I appreciate your comments. I agree with most of them. I do not know about the statistics, though.

The only other comment I would like to make would be about the statement made by Ambassador Preeg, namely that the election of a few months ago electing President Preval led some opposition party to objecting to the vote.

I would say that in the prior election of Aristide 5 years ago that the opposing parties accepted the results of the people. They accepted them by putting guns and pistols to Aristide's head and threatening to blow his brains out and forcing him into exile by a coup to take over the country. I do not think that is very acceptable on the part of the opposition parties.

Mr. PREEG. Well, let me clarify. At the time of the election, the opposition parties who got one-third of the Presidential vote, and elected the majority of the national assembly, accepted the results. And then there was a subsequent 8 or 9 months of the Aristide presidency, which was a very troubled period, I might say, and there was some killing toward the end. And it was elements of the military that overthrew Aristide. It was not the political parties.

Really for what Haiti has been through in its history, that period of 1989-90, while there was a set back, was a period when there was a great deal of hope toward political reconciliation. And the parties were not—

Mr. FOGLIETTA. Do you—

Mr. PREEG. Pardon me.

Mr. FOGLIETTA. Are you talking about the last election?

Mr. PREEG. Leading up to that period. And even the military, of course, on the night of the election, elements of it—the better elements were keeping peace at the voting booths.

It was the most positive election in Haitian history.

Mr. FOGLIETTA. Aristide did not serve his entire term as president.

Mr. PREEG. Well, there was an interim government. There were 4 years—well, call it what you will, but there was an openly contested election in 1990. Political parties, Aristide, centrists, others, openly contested, the media were wide open, and were all over the place.

Mr. FOGLIETTA. I was there.

Mr. PREEG. Were you there for the—

Mr. FOGLIETTA. I was there prior to the election. I saw no evidence whatsoever of any intent to muzzle the press or anything else. I mean, it looked like to me it was a totally open election.

Now, certainly the impression I got was that there was overwhelming support that President Aristide enjoyed at that particular time. I talked to people all over Haiti. The position of 95 percent of the people I talked to, probably 90 percent of the population, was that they did not want him to actually leave. They supported him so strongly that they wanted him to remain in office for 3 more years, to make up for the 3 years he had been exiled.

And I also believe that is why the percentage of people voting, 28 percent, was so very low, because they did not want to elect Preval; they wanted to keep Aristide as their president, with the strength that he had, the support that he had among the people.

Thank you, Mr. Chairman.

Mr. KIM. I have just a couple of questions. Honestly, I do not know much about Haiti, except for what I've watched on TV. And it sounds like the media people have a very pessimistic view.

How could all of this happen? We had international police out there watching.

Mr. PREGG. Well, again, I have been following press reports closely. I did not go down there. There were three or four incidents in the weeks prior to the election. In Cape Hatien in the north, the head of the biggest radio station, that was anti-Aristide, the head of that station, she was in her car with her children and a mob went after her and threatened her. She went into hiding, and the radio station closed down.

There were two or three journalists—I believe they were in the Port-au-Prince area—that were beaten up. And my understanding is that the opposition media has sort of quieted down. There was no outspoken criticism of the Aristide Government or for Preval in the way there had been in earlier years. That is my understanding of this. It was only a 2-week election period anyway.

Mr. FOGLIETTA. Well, I was not aware of that. The fact is this week—and I will not deny that this is a very volatile community of people. They are volatile because there are no results there. But when they see opposition, you are talking about people who do not want to return to the days of the military dictatorship under Francois and under Cedras where 4,000 or 5,000 people were killed. There was no law there whatsoever. We have to try to understand the situation, you know, where these people are coming from.

Like I say, I was there. I heard no reports whatsoever. Now there may have been incidents like this, but I did not hear of any. The fact is, I was there.

Mr. PREGG. If I might try to answer a little bit.

Mr. KIM. Sure.

Mr. PREGG. My own assessment is that the situation is more complicated in Haiti in terms of polarization between, essentially, the one-third that voted against Aristide 5 years ago and the two-thirds.

Very few of that one-third had much use for the army. And much of that one-third was caught in the middle, between a rock and a hard place. There are not just the centrist groupings that fear Aristide and his group as having been revolutionary left, even communist-inspired. And certainly a lot of things coming from that movement still raise that concern.

There are significant segments of the Haitian population in the countryside, too, that are very conservative and traditional and view Aristide and Preval as radical left revolutionaries. There are splits among protestant missionaries who have their outreach. The voodoo church is not just to the right politically but a very deeply ingrained religion as well.

Mr. FOGLIETTA. Catholics are involved?

Mr. PREGG. The Catholic religion is split. So there are conservative elements in the countryside and the city who did not like the army, particularly the bad elements who took over, unfortunately, during the 3-year embargo period but were caught in the middle.

And as far as who voted, a lot of people, as you say, did not vote because they wanted Aristide to stay on. But of the one-third that

voted against Aristide 5 years ago—and I happen to have contact with many from the business sector and elsewhere—it is rare that I have found anyone who was against Aristide 5 years ago and is for Aristide and Preval now.

On the other hand, some of the segments that were pro-Aristide 5 years ago have gone over, including Victor Benoit, one of the only credible opposition candidates, and Evans Paul, the former mayor of Port-au-Prince.

So I still think that while a majority was clearly pro-Aristide, there was a large minority who was not out in the streets and who do not talk and get interviewed very often, quite frankly, in too much of what I refer to as curbside quotes from the press. People in the street are 100 percent Aristide. And the anti-Aristide people are worried. They are worried about crime. They are worried about corruption, which has gotten a lot worse, from what I have heard, in the last year. They are staying home.

Mr. KIM. Well, it seems like after we spend almost \$2 billion to overthrow this General Cedras, perhaps the people in Haiti still have corruption going on, still other crimes going on, the economy is bad. There is not much to show for the economy.

Is that your assessment?

Mr. JOHNSON. Mr. Chairman, I would like to comment just on that. It is not terribly profound. What has to be done in Haiti today has to be done in Haiti.

I get kind of disturbed some times at the United States, which is taking such a major responsibility in the events of the last couple of 3 years.

You sense a tendency to say, we have done our job and we provided the opportunity—the remarks that I heard earlier in the previous panel. It is not as simple as that. Haiti has always had a close relationship with the United States. The United States has always tried to help in different ways, not as vigorously as we tried to provide this opportunity in the past couple of years.

But I think the assessment that we were generally concluding is true with respect to the economy. And the assessment is true with respect to Haiti's improving economy. An improving economy has to take the place of the military forces.

Then the United States must take a role. It may be only persuasion. Frankly, I think groups like mine and other companies have a self-interest in helping Haiti to understand what it will take to create a competitive business environment.

Certainly we never suggest to tell you all your business, but it would seem to me that this committee must take a very aggressive—Democrats and Republicans; we are all in the same boat here—take a very aggressive role in urging the American Government to insist on these reforms, to insist on courageous political behavior for the sake of what we have done and for the sake of the people in Haiti.

We do not have a lot of alternatives, as we have said before. Certainly one of those alternatives is not to pour more money in. We have to have a political objective down there. We have to provide part of that constituency underneath which those courageous political decisions are taking place.

Mr. PREGG. Could I add a couple of thoughts?

Mr. KIM. Yes.

Mr. PREEG. While, regrettably, as I mentioned earlier, the economic situation is worse now.

Mr. FOGLIETTA. Worse than what?

Mr. PREEG. Worse than 16 months ago. Except for the temporary aid bubble effect there has been very little movement not only on the government reforms but on the kind of assistance in long-term projects which I certainly favor, particularly in a country like Haiti.

Now, how to get out of it? My feeling is that Haiti—and this has been going on for several years—needs a political reconciliation. And certainly my hope for the Preval Government is that he will reach out to some technocrats and members of the business community and others to give them confidence and to give the government the managerial capability to implement what are going to be extremely difficult steps to get things going again. Because the aid bubble effect is not going to be there.

And I have just two specifics, if I might add.

Despite all of the downsides of the earlier regimes—and I was down there in the early 1980's when it was still the Duvalier Government—when, although there were not political killings, it was an authoritarian dictatorship—they were creating jobs.

And of the one million people in Port-au-Prince at that time, approximately half a million were supported directly or indirectly by this labor-intensive industry that had been developed. New infrastructure that was there; and there were 200 companies, mostly, related to the U.S., 60,000 jobs. And most of the other half of Port-au-Prince was working in the domestic sector.

So there was a bustling economy. In fact it was referred to in the early 1980's as the Taiwan of the Caribbean.

Now that industry has been wiped out principally through the embargo, quite frankly. I think we should all reflect again on the downsides for using the embargo as a mechanism to try to get rid of reprehensible governments, of which there is no question that the military was.

The second and last point—and I take a little issue with Peter on this one—this year aid disbursements will not be \$600 million—they might be \$300 or \$400 million, I am just using a rough estimate—and of this \$150 million he is talking about is the portion, almost half of the total, that is earmarked for what is called budget support, where we use our taxpayers' money to pay the payrolls and the central government budget.

We never did that in Haiti before or in most other countries. There are ways to use aid money not for budget support but for agriculture and help in the countryside and for infrastructure or secondary roads.

So, Peter, I think they can get that \$150 million budget deficit down by reducing the size of the government payroll as they said they were going to do; they can also do it by increasing some tax revenues; and I will just conclude by noting a suggestion I have made, that I think would make the Preval Government very popular all around, at home and abroad, which is to do what some other governments have done, Indonesia in particular to privatize, in addition to electric power, telephones, and port facilities, or rather to put under private management the Haitian customs service.

The Customs Service has always been a disaster, and it has gotten worse this past year. With one stroke of the pen, President Preval could bring in revenues, build confidence in the private sector, and be a popular president for all Haitians except that small number of people who are on the take, on the very big take, in the Haitian customs service.

Mr. KIM. Mr. Foglietta, do you have anything further on that?

Mr. FOGLIETTA. Let me try to conclude. We could continue on this discussion all day. But I do have a couple of things.

No. 1, you said that the economy is not better now. I do not see how that could possibly be. Haiti now has a positive 4.5 gross domestic product. And prior to Aristide's return, it was minus 10 percent.

No. 2, we talked about unemployment. There are people working in sugar cane fields under slave labor.

No. 3, we heard the lumber industry was an important port industry. You cannot practically find a tree standing in the whole island of Haiti right now because it was raped by companies coming in and cutting them down.

You call that good economy. I do not. I think what we need to do in Haiti is grow a solid economy so the people can work in decent jobs and live a decent life.

Mr. PREEG. May I respond briefly?

Mr. KIM. Sure.

Mr. PREEG. I agree with you totally on the deforestation and the terrible environmental disaster. Actually I just came out with a book 2 weeks ago on Haiti—maybe that is one reason I am here today—and there is a whole chapter on that. It is a terrible tragedy.

Actually, though, the half million people in Port-au-Prince I noted were not in lumber, but assembly and other labor-intensive industries, which is what Haiti needs. And it was there, despite the political repression.

As to the 4 to 5 percent—the Clinton administration and Aristide Government indeed said that last year, the Haitian economy grew by 4.5 percent after it had declined by 30 percent during the embargo years. And the embargo years really wiped out the economy.

But that 4.5 percent is in the context of the aid bubble. The disbursement of aid amounted to 25 to 35 percent of GDP. And my question is, if you put in 25 to 35 percent of aid disbursements, why did the overall economy only grow 4.5 percent?

And we know this year that the cutback in U.S. aid alone will bring it down 7 to 10 percent; and other aid disbursements will probably slow as well.

So there was the aid bubble effect, and my reaction has been, why was it only 4 or 5 percent when we were piling in so much aid, which had the immediate impact of raising the economy?

Mr. KIM. Thank you all very much for your testimony. If there are no more questions, I would like to thank you for coming today. Your presentations were excellent.

This hearing is adjourned.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned to reconvene at the call of the Chair.]

APPENDIX

Statement of
The Honorable Thomas M. Foglietta

Before the

House Subcommittee on Western Hemisphere
Committee on International Relations
“Haiti and the United Nations Mission”

Wednesday, February 28, 1996

Mr. Chairman, and Members of the Subcommittee, thank you for allowing me the opportunity to appear before you today to discuss a subject of great importance to our nation and the world community, Haiti and the struggle of its people for democracy, freedom and economic empowerment.

I hope to help you answer the question that faces us today in this hearing: what happens when the UN force leaves.

I am optimistic about the future of Haiti, now as U.S. troops finish out their mission. For the first time in Haiti's two-hundred year history, hope is alive, and hope is a first, giant step towards genuine democracy and real economic progress and empowerment.

I visited Haiti four months ago -- my fifth trip in three years. My first trip in 1993 took place before President Aristide's return to power. I saw the scars from the meanest violence you can imagine, desperate poverty and fear that plagued this island nation. But the faces of the Haitians changed upon Jean-Bertrand Aristide's return to power in 1994, thanks to the intervention of the United States. I saw Haitians cleaning their streets and their neighborhoods. I saw Haitians rebuilding

small businesses and fixing and cleaning schools and classrooms.

The strides we have made to restore peace, democracy and economic development in Haiti are enormous. Let's compare the world facing Haitians now compared to just three years ago. In 1993, Antoine Izmary was attending mass in Sacre Coeur Church in Port-au-Prince. He organized the service to commemorate the fifth anniversary of the attack by government thugs at St. Jan Bosco Church. Tragically, another group of faceless thugs stormed the church and dragged Izmary out into the street. In broad daylight, he was beaten and shot in the head at point blank range. Sad as it was, this was just one example of the 4,000 brutal murders that occurred during the military dictatorship following Aristide's overthrow from office.

Thanks to the actions of President Clinton and the American men and women in uniform who have served in Haiti, people no longer live in fear. Democratic government and the rule of law have returned to Haiti. The army has been abolished and a civilian controlled police force of fine young Haitians is being trained. With the return of Aristide, Haiti's real GDP growth rate grew to 4.5 % in 1995, the first positive

growth rate in decades. One year before, GDP was negative 10.6 percent. That same year, 80 U.S. companies, including AT&T, Motorola and Citibank, had the confidence to participate in six U.S. Department of Commerce Business Development Missions to the country. And 25 corporations and non-profit organizations are members of Commerce's U.S.-Haiti Business Development Council.

The transition has not been without blemish, but I know from first hand experience that criticisms about our role in Haiti have been inflated and often fail to accurately take into account the positive evidence of progress in Haiti.

In addition, we witnessed the peaceful and democratic transition of government with the election of a new President, Rene Preval. From this evidence of giant steps towards democracy and economic progress, I conclude that our mission in Haiti is a great military and diplomatic success story.

The challenge in the coming months and years will be to build on the steps already taken. I urge my friends in Congress and the international community to make sure that every effort be made to keep

Haitians on the path towards peace, democracy and economic stability. Organizations like the International Monetary Fund, the United Nations, the U.S. Congress and others, will be critical to maintaining stability in Haiti. I welcome their continued participation and leadership in this effort.

What is tomorrow for the people of Haiti? It is a tomorrow of challenge, but it is a tomorrow of faith and hope. And that tomorrow has been defined by what our government and our servicepeople have accomplished today and yesterday.

Thank you.

STATEMENT OF JOHN P. LEONARD
DIRECTOR, HAITI WORKING GROUP
DEPARTMENT OF STATE
BEFORE THE
HOUSE INTERNATIONAL AFFAIRS COMMITTEE
SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS
FEBRUARY 28, 1996

I welcome this opportunity to testify on the withdrawal of UNMIH and its impact. I would like at the outset of our discussion to put our subject in the context of the accomplishments of the last eighteen months, some lessons learned and the main challenges the Haitian government still confronts.

At the height of the US military presence, shortly after the MNF's initial deployment, there were over 23,000 American military personnel in Haiti. As of September, 1995, there were 2,500 American soldiers, out of a total of 6,000 UN peacekeeping troops, and 800 UN civilian police, drawn from 31 countries. By mid-March 1996, only a few hundred US members of the UNMIH force are to remain in Haiti, and the last of these are scheduled to depart by a month later.

US forces now leaving Haiti have successfully contributed to two complex and challenging tasks: first, the dismantling of Haiti's old institutions of repression and the creation of a new professional civilian police force and reformed judiciary; and second a democratic renewal which involved five elections during the past year and the first transition from one democratically-elected president to another. Both of these achievements met the timetable which the United States and the United Nations had set for this peacekeeping operation.

Needless to say, Haiti's democracy remains fragile, its new security structures inexperienced and untested, and economic renewal is at best tentative. But, a year and a half after the American led intervention, the economy has stabilized, and the political and security situation in Haiti has dramatically improved. These improvements have advanced to a point which permits a more modest onward international presence in Haiti, one to ensure a smooth and sure transfer of key functions enabling Haitians to assume complete responsibility for their own future.

Even acknowledging that the road ahead for Haiti is anything but smooth, this operation has been a success.

Indeed, any large scale international peace operation which begins peacefully, proceeds smoothly, and achieves its goals on schedule stands out in the annals of international peacekeeping.

LESSONS LEARNED

The American-led international intervention in Haiti has proceeded smoothly, successfully and on schedule because:

- First, the international community set and adhered to a clear set of objectives. These were:
 - Restoration of the legitimate, democratically-elected authorities;
 - Dismantlement of the old instruments of repression;
 - Assistance in creating new professional and apolitical security institutions, including a new police force and a reformed judiciary; and
 - Creation of a climate of security in which those achievements could function, and democratic processes such as elections could resume their operation.

- Second, we were able to secure and maintain broad regional, hemispheric and international participation for Operation Uphold Democracy and its UNMIH successor. As of mid-1995, troop and police contingents from over 40 nations had served with the MNF or UNMIH.
- Third, in both Operation Uphold Democracy, and UNMIH, we and our allies achieved the closest possible integration of diplomatic, military, humanitarian and economic support efforts.
- And finally, we recognized and accepted that, because no country other than the United States was capable of mounting, integrating and sustaining a complex multi-agency, multifunctional, and multinational enterprise on this scale, US leadership was essential.

The US-led intervention of September 19, 1994, followed by the 18-month presence of MNF and then UNMIH international peacekeeping forces, has provided Haiti an opportunity to come far toward establishing a credible democracy, effective and publicly-accountable law enforcement institutions, and the foundations of long-overdue reform to establish a self-sufficient economy. A good deal of progress has been

made. However, reforms are still incomplete, and new institutions still fragile. They will be tested as the international military presence winds down.

The gradual withdrawal of UNMIH's US contingent began in December and will be completed April 15. This number will drop to an estimated 400 by March 15. These 400 will be residual forces --for example, medical, engineering, and aviation units -- that will help ensure a smooth transition to a reduced international presence as a final step to Haiti's assumption of full responsibility for its own future.

President Preval of Haiti has asked for an extension of the UN force in Haiti, to help the Haitian police maintain the climate of security which has been established. The UN Secretary General has recommended a follow-on force somewhat less than one-third the size of that currently mandated: about 1,900 troops and 300 civilian police compared with 6,000 troops and 900 police under the current mandate. Its mission will be to assist the new Haitian national police and to help protect the Haitian government. The UN Security Council is acting this week on the Secretary General's recommendation. The United States supports this recommendation, as do the other

governments of the region as well as those others which have been most deeply involved in Haiti. Although Haiti has been stabilized, it is sensible to withdraw peacekeepers gradually to guard against a possible upsurge of violence.

THE ROAD AHEAD

We support the extension of a reduced UNMIH, as an appropriate and necessary means of supporting the new Haitian police and the newly-installed Preval government. This extension will enable the Government of Haiti to consolidate its ability to maintain the stable and secure conditions that are a precondition to addressing the range of serious economic, political and social problems Haiti still confronts: reassuming responsibility from UN forces for the country's own internal security; applying lessons learned in five elections in 1995 to institutionalize a fair, free and peaceful electoral system; and carrying out crucial but, what for many Haitians inevitably will be painful, economic reforms. The US and other governments are committed to assisting, but only the Haitians' own resolve and ability to make difficult decisions will determine success or failure in the end.

To sustain the climate of security and stability that has been achieved since the MNF intervention in September 1994 the

Haitian government must convince the Haitian people, and potential investors at home and abroad, that the stability established under international peacekeeping arrangements will continue after responsibility fully returns to the Government of Haiti. The seamless transition from the MNF to UNMIH was key to UNMIH's success in keeping the peace. Our long-term engagement in helping Haiti to resolve its problems is a critical incentive for domestic stability and increased domestic and foreign investment in the economy.

Reform of law enforcement in Haiti has just begun. The graduates of the Haitian police academy have had to meet high standards and undergo rigorous training. However, the most experienced members of the HNP have much less than a year's experience as policemen. An onward international presence can make the difference between success and failure of the new HNP by filling this "experience gap" with international field training officers.

To recognize how the situation has improved is not to suggest that further steps are not needed to eradicate political violence from Haitian life. Haiti has a long, sad tradition of political abuse and intimidation which, if not checked once and

for all, could undermine its democratic renewal. Similarly, Haiti's economic renewal is at best tentative, its electoral system remains fragile, and its government institutions are inexperienced. The international community's help will continue to be needed to help Haitians overcome the liabilities of abject poverty and generations of government neglect.

As our military forces depart from Haiti having successfully accomplished their mission, we should note that this does not mean the U.S. is withdrawing from Haiti. Haiti has long been a major aid recipient as we have sought to ameliorate the human misery caused by years of mis-government. The work our armed forces has accomplished provides us an unprecedented opportunity to invest our assistance in the creation of sound, self-sustaining democratic institutions, the rule of law, and a functional economy, and thus ultimately to end the burden that too long has been imposed on the Haitian people. Much remains to be done.

But a new beginning has been made. As we previously have said before this Committee, as our troops and those of other nations depart they will leave behind a legacy of democracy restored, and hope renewed.

**STATEMENT BY
JOHN CHRISTIANSEN
DIRECTOR, HAITI TASK FORCE
OFFICE OF THE SECRETARY OF DEFENSE
BEFORE
THE SUBCOMMITTEE ON WESTERN HEMISPHERE OF THE
INTERNATIONAL RELATIONS COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
FEBRUARY 28, 1996**

Mr. Chairman and Members of the Committee: I appear before this subcommittee today in regard to the ongoing withdrawal of U.S. Forces from the United Nations Mission in Haiti (UNMIH). A great deal has transpired since U.S. military forces entered Haiti on September 19, 1994. You will recall that Operation UPHOLD DEMOCRACY was conducted against a repressive military regime which had, since 1991, defied international will and the demands of the United States Government to return the constitutionally elected government to authority in Haiti.

The United States had several interests in that action:

- The ouster of President Aristide by military coup d'état in 1991, if allowed to stand, threatened to affect stability and democratic development elsewhere in the region.
- The outflow of Haitians seeking refuge from poverty and oppression not only threatened social stability throughout the region, but also placed significant strains on our own national security and hemispheric interests.

After diplomatic efforts failed to dislodge the de facto regime, the U.S. prepared to use military force as part of a Multinational Force (MNF) authorized by United Nations Security Council Resolution 940 (1994) to use all necessary means to secure the departure of the coup leaders; to restore the legitimate, democratically-elected Government of Haiti; and to create a secure and stable environment that would allow the Haitian people to assume responsibility for rebuilding their country. On the eve of intervention, September 18, 1994, an agreement was reached with Haiti's de facto leadership that would facilitate departure of the coup leaders and allow return of the

elected government. Within hours the U.S. invasion force was able to reorient and redeploy to enter Haiti peacefully in order to carry out the provisions of UN Security Council Resolution 940.

The U.S.-led multinational force peacefully entered Haiti the next day. It quickly achieved its initial objectives. The Haitian military leadership departed Haiti by October 13 and President Aristide returned to Haiti on October 15, 1994. Meanwhile, Government offices were restored to the control of the legitimate officials. Inherent in the U.S. forces' mission was also the protection of U.S. citizens and U.S. facilities. The MNF operation was conducted through March 31, 1995, during which in excess of 20,000 American service men and women from the U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard served in conjunction with approximately 5,000 non-U.S. forces and civilian police personnel from 31 nations.

In the months that followed, the U.S. and coalition presence expanded throughout Haiti, providing a more secure environment and helping to coordinate international humanitarian assistance for the most needy Haitians. Aggressive weapons control and reduction measures were initiated that seized weapons posing a threat to the MNF and reduced the number of illegal weapons in Haiti. Essential public services, such as electrical power, were restored in key areas. Direct assistance to Haitian government ministries by military civil affairs specialists was vital to helping them reestablish functional governance and begin rebuilding Haiti's public institutions. As conditions improved, we repatriated over 13,000 Haitians who had fled Haiti under the military regime. Under the secure conditions provided by our military operations, meanwhile, a major effort began to build a completely new and professional police force for Haiti, under civilian control. While this force was being recruited and trained, an interim public security force made up of ex-members of the Haitian Armed Forces who were screened for serious criminal or human rights violations, carried out the police function under supervision by the MNF's International Police Monitors.

The exit strategy for ending MNF deployment was the transition of responsibility to the United Nations Mission in Haiti. On January 30, 1995 the United Nations Security Council passed UNSCR 975 recognizing that a secure and stable environment existed in Haiti and authorizing the UN Secretary General to terminate the mission of the MNF and to deploy UNMIH. On March 31, 1995 the U.S.-led MNF transitioned responsibility for operations in Haiti to UNMIH.

At its peak, UNMIH had a civilian staff of some 600, approximately 6,000 military and about 900 civilian police officers to assist the democratic government of Haiti in sustaining the secure and stable environment established by the MNF, in protecting international personnel and key installations, in establishing an environment conducive to the organization of free and fair elections, and in creating a separate civilian police force. In addition to providing the Force Commander, Major General Joseph Kinzer, USA, approximately, 2,400 men and women of the U.S. Armed Forces comprised the backbone of UNMIH with combat and support forces such as infantry, special operations forces (which include special forces, civil affairs and psychological operations), headquarters staff, aviation, medical and military police.

Like the MNF before it, UNMIH's military component expanded its presence throughout Haiti in order to assist the GOH in maintaining the secure environment which had been established by the MNF. UNMIH'S Civilian Police (CIVPOL) has worked closely with Haitian authorities to provide on-the-job training and guidance to the new Haitian National Police (HNP) officers now deployed throughout much of Haiti. Of note was UNMIH's significant contribution toward enabling free legislative and presidential elections, and its provision of technical assistance for the entire electoral process. The timely conduct of the presidential election was an essential step in consolidating constitutional order in Haiti--a step which led to Haiti's first-ever transfer of power from one freely-elected leader to another, which took place on February 7, 1996 with the inauguration of President Rene Preval..

These many accomplishments in Haiti, under both the MNF and UNMIH, are due, in large part, to the professionalism and dedication of our armed forces. The United States' military has performed superbly: acting decisively, responsibly, and humanely in carrying out a difficult and complex mission. Though U.S. forces led this mission, great appreciation must go to all nations whose contributions to the Multinational Force and UNMIH have made our efforts in Haiti a model of international cooperation for peace enforcement.

Much remains to be done in Haiti, but the military role has markedly diminished. We see at this time no organized threat to the Haitian Government or the international presence. However, it is possible that opponents of democratic rule in Haiti may become emboldened by the diminution of the international presence and move to attack

government officials or disrupt the functions of government. To meet its public safety needs, the Government of Haiti has fielded a civilian police force of over 5,000, with training and other assistance provided by the U.S. Department of Justice International Criminal Investigative Training Assistance Program (ICITAP) and other international contributors. As noted by the UN Secretary General in his most recent report on Haiti, observers are nearly unanimous in their assessment that Haiti's fledgling police force needs the support of UNMIH for a while longer, in view of the potential threats to the Government, the problem of common crime, and the inexperience of the Haitian National Police.

The UNMIH mandate established under UNSCR 940 continues through the transition of power to Aristide's duly-elected successor Rene Preval during February, 1996--it is currently set to expire on February 29, 1996. President Preval has requested an extension of the UNMIH mandate, and the UN Security Council is now considering a resolution which would extend UNMIH's mandate for an additional six months at reduced military and civilian police component levels of no more than 1900 and 300, respectively.

The withdrawal plans of U.S. Forces Haiti, the U.S. contingent of UNMIH, will be briefed by my colleague from the Joint Staff so I won't address that aspect of DoD's involvement in my statement. I think it important to note, however, that after the small transitional contingent which he will describe concludes its support of UNMIH, anticipated to occur not later than April 15, 1996, the U.S. military will not participate in a follow-on UN mission in Haiti. DoD will continue its engagement in Haiti on a normal, bilateral basis, through participation in activities such as Exercise FAIRWINDS, with the primary purpose of training U.S. forces. These deployments include both engineering and medical. Engineering projects include water wells and school/hospital renovations, and are similar to those done throughout the hemisphere.

The total incremental costs reported for U.S. military participation in Haiti-related operations total \$942.1 million through Fiscal Year (FY) 1995. This figure includes U.S. participation in both the MNF and UNMIH, as well as costs incurred in support of sanctions enforcement, migrant operations and support for foreign forces and Haitian police. Financing of \$89.4 million is required for FY 1996 incremental costs for U.S. military participation in UNMIH through February 1996, to include costs for redeployment. Funding will be requested through a reprogramming action currently

being staffed for transmittal to Congress.

Let me conclude by saying that the way in which the MNF and UNMIH missions have been planned and executed incorporated many of the lessons learned in past operations. Those lessons include the need for:

- A clearly defined mission and objectives, as well as an established exit strategy.
- Planning that integrates all dimensions -- military, political, social, and economic -- critical to the success of such an endeavor.
- A commander on the ground who has been granted the capabilities and operational flexibility to protect his forces and accomplish his mission.
- Recognition that in face of the challenges involved, and the U.S. interests at stake, it is best for the United States to accept leadership of the mission and to commit the largest share of forces.
- Finally, ongoing evaluation of the overall mission objectives, activities of our forces, and their capabilities as the situation on the ground evolves to ensure that these remain mutually consistent.

These factors have contributed significantly to our success thus far in Haiti. We are now entering another phase of the task we undertook in September of 1994. Although the UN mission, and the U.S. role in accomplishing it, will be different after February 29, 1996, the Administration's focus remains providing Haiti with an opportunity to develop its public safety and civil services and the Haitian judiciary, and to create the other conditions needed for economic, social and democratic development. We in DoD plan to remain engaged in Haiti, albeit at a lower level of activity. I am hopeful that the success achieved to this point will continue in the weeks and months ahead as the transition of responsibilities from UNMIH to the GOH continues and as the Government of Haiti assumes increasingly greater responsibility for its own security and governance.



Center for Strategic & International Studies
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Statement of Ernest H. Preeg
William M. Scholl Chair for International Business,
Center for Strategic and International Studies
Washington, D.C.
before the House International Relations Committee
Subcommittee on Western Hemisphere
February 28, 1996

Haiti After Aristide

The departure of the U.S. contingency of the UN peacekeeping force from Haiti constitutes only one part of a greatly changed—and much more threatening—set of circumstances facing Haiti with the completion of President Jean Bertrand Aristide's term of office and the inauguration of his successor, Rene Preval. Haiti is now faced with the mutually reinforcing circumstances of a more unstable political relationship, a weak and untested new police force in the face of growing violence and crime and, most threatening, a sharply deteriorating economy already in a state of prolonged crisis.

All of these circumstances changed markedly for the worse with the departure of President Aristide because of the distinct nature of the situation during the previous 16 month period. Let me explain this changed situation for each of the three areas of concern: the political relationship, internal security under the new police force, and the economic crisis.

In political terms, Aristide was elected president in 1990 in what was for Haiti an extraordinarily free and openly contested election—encompassing the full range of political parties from left to center to right and outspoken debate in the media—and after which the losing candidates, however grudgingly, accepted the results. There was therefore no question of Aristide's legitimacy, once returned, and his broad popular support was also unquestioned.

The presidency of Rene Preval, in contrast, begins under dark political clouds relating to both the election process that brought him to power and the uncertain

cohesion of the left-oriented political movement—most prominently the Lavalas organization—in support of his presidency. The December 1995 presidential election, compared with that of 1990, was deeply flawed. The provisional electoral commission responsible for supervising the elections and counting the ballots was denounced by all opposition parties as controlled by Aristide partisans, and never received the constitutionally required approval of the National Assembly. Opposition media—radio stations and newspapers—were threatened, a few of its members beaten, and consequently there was no media questioning of the Aristide record or the Preval candidacy. The elections were announced in the last minute and the election campaign limited to a couple of weeks. For all of these reasons, all center and conservative political parties—which had received one-third of the vote in 1990—boycotted the election. Of the dozen declared candidates, all were political non-entities except Preval and one other—Victor Benoit—who heads a small center-left party that supported Aristide in 1990. Only an estimated 15-28 percent of the population turned out to vote. Thus, the contrast between Aristide and Preval, in terms of a clear electoral mandate from the people, is decidedly negative for Preval.

As for the cohesion of the Lavalas political movement, it is clear that President Preval does not command the high degree of almost unquestioning support as had his predecessor. This has been evident in the lengthy process underway for selecting a cabinet, and raises questions about the capability of Preval to act decisively on the difficult economic and other issues he will have to confront in the months ahead.

Turning to the internal security situation, the highly credible internal security force since September 1994 has been predominantly the U.S. military contingent, progressively phased down from 20,000 to 3,000, and now pulling out. It will be replaced by a much smaller UN force totaling 3,000, with its credibility for maintaining order centered on a Canadian contingent of only 600, and the new, inexperienced Haitian police force of 6,000.

Once again, the contrast between the Aristide and Preval situations is stark. The new Haitian police force, in particular, is untested and quite small for a country of seven million people, one-third in congested, politically volatile cities, and the other two-thirds in a countryside of extremely difficult mountainous terrain. In the Duvalier period up to 1986, there was a more experienced Haitian army of 6,000-8,000 plus a 15,000-20,000 part time trained militia—the infamous Macoutes—predominantly located in the countryside. From 1986-1990, with the official demise of the Macoutes, there remained a security structure in the countryside under the control of the unpopular but effective "Chefs de Section." One question now is who will be responsible for maintaining public order in the countryside.

Two other issues pertaining to the new police force are disturbing and bear noting. The first is the lack of an organized officer structure within the police force. This brings into question the operational effectiveness of the new police force and leaves

open the possibility that police leadership will be filled with militant supporters of the presidency, as often happened in Haiti in the past when the army became a politicized force of repression against opposition political groupings. The second issue is the recent creation of an independent presidential palace guard, apparently more politicized and probably better armed than the national police force. Several incidents of conflict between the two groups have already been reported, and this development is another ominous throwback to earlier Haitian history, including the tensions between the Haitian army and the Macoutes during the Duvalier era.

In sum, the internal security situation is considerably more threatening with the departure of the U.S. troops who had been the dominant factor for maintaining law and order from the return of Aristide in October 1994 until now.

As for the deepening economic crisis, I wish to attach for the record my Op Ed piece from the *Journal of Commerce*, January 16, 1996, "Haiti's Aid-Fueled Economy," which explains the circumstances of the "Haitian aid bubble economy" in 1995, and the fact that the aid bubble is now rapidly deflating.

The international community, led by the Clinton Administration, was committed to the successful conclusion of the Aristide presidency, and thus provided on extraordinarily high and unprecedented level of aid disbursements to Haiti in 1995, totaling \$600 million, or 25-35 percent of Haitian gross domestic product (GDP). This aid largesse produced a temporary boost for the economy that had been devastated by the preceding economic embargo. The intent was for this aid to provide an emergency bridge of economic support while the Haitian government implemented critical economic reform measures to resuscitate the bankrupt Haitian private sector and thus create sustainable, productive jobs. The Aristide government, upon return, committed itself to such economic measures, including sharp cuts in the bloated government ministries, a renewal of tax revenue collection which had dropped to a minimal three percent of GDP during the embargo, and privatization of malfunctioning public sector enterprises—most importantly, the economic infrastructure enterprises providing electric power, telephones, and port facilities.

Unfortunately, the Aristide government's record was one of brave words but almost total non-performance on economic reforms. As a result, the \$600 million of aid bubble support has been expended, largely for temporary public works projects and budget support payments for the government, but with little effect on permanent job creation or on investor confidence that remains virtually nil.

The economic outlook for the Preval government is thus exceedingly grave. Unemployment in Port-au-Prince is 70-80 percent—creating a political tinderbox—while the extraordinarily high aid disbursements of 1995 are in rapid decline. U.S. aid to Haiti will drop from \$235 million in fiscal year 1995 to \$80-90 million in 1996 (which alone equates to a drop of 7-10 percent in Haitian GDP), and other aid donors are insisting on

concrete implementation of economic reforms before continuing their disbursements. Meanwhile, the large majority of impoverished Haitian people are legitimately asking what happened to all of the much heralded aid flowing into the country. The unfortunate answer is that most of it, because of non-performance by the Aristide government, has been squandered on temporary relief with no lasting positive effect, particularly through budget support to the public sector payroll.

This is the grim picture—in political, security, and economic terms—facing the new Preval government. If the government is to survive, it must act quickly to implement economic programs necessary to resuscitate the heretofore resilient Haitian private sector, as well as to facilitate urgently needed foreign assistance, albeit at substantially lower levels than in 1995. A positive change in the investment climate, moreover, will also require major movement toward political reconciliation by the leftist Preval/Lavalas government—a reaching out to technocratic and business participation—and reassurance from the government that the police forces will be led and deployed in a non-political way.

As for the United States, it is regrettable that once having restored Aristide to the presidency and seen him through the election of his successor—the short term objectives—U.S. support for Haiti is being cut back abruptly for what happens next in even more precarious circumstances. U.S. economic aid is being cut by two-thirds, the peacekeeping role is being handed over to a small Canadian-led force, and there is an apparent political distancing from the Preval government.

The U.S. government, after having expended more than \$2 billion on the economic blockade and the military intervention, not to mention \$235 million of economic aid in 1995, has a self-interest in seeing that Haiti regains a reasonable level of political stability and self-sustaining economic growth which will endure beyond 1996. U.S. interests in Haiti are important, particularly with regard to protecting our borders against illegal migration, drug-trafficking and other international crime.

The United States should thus continue to provide strong economic support for the next stages of economic recovery, although this time conditioned more firmly on reform implementation by the Preval government and provided, for the most part, through the private sector and private voluntary organizations. The police training function should likewise be continued, conditioned in this case on the police functions being maintained non-political. If the Haitian government fails to meet these minimum standards, it has no one to blame but itself and there is little the United States can or should do to sustain it. But at this critical juncture it remains in the U.S. interest to continue its conditional strong support and hope for sharply improved performance by the Haitian government.

Testimony of

Peter B. Johnson
Executive Director
Caribbean/Latin American Action

to the
Western Hemisphere Subcommittee
Committee on International Relations
U.S. House of Representatives

My name is Peter Johnson. I am Executive Director of Caribbean/Latin American Action, a private, non-profit organization dedicated to promoting economic development in the Caribbean and Latin America,

The Committee has called these hearings to deepen Congressional understanding of the what the imminent departure of the U.S. military contingent will mean for Haiti and for U.S. policy in that country. The real worry of this Committee, and all concerned Americans, is the direction that Haiti is headed, and whether the type of breakdown in security and democracy that caused the U.S. military involvement in the first place is likely to recur. It would be reassuring to report that the mission has been accomplished, the crisis is past, and Haiti is rebuilding its political institutions in a climate of security and economic recovery. Unfortunately, that is not the case.

The Real Threat to Security is Economic Despair

The security question is uppermost in many minds as the U.S. military departs. Recent increases in crime and violence have sparked added concern. I am not in a position to offer any insight on what difference, if any, the replacement of U.S. leadership and troops in the peacekeeping force with those of other nations will make in Haiti's security. However, I can tell you that whether the U.S. troops go or stay, whether their replacements are effective or not, the main threat to Haiti's security will remain. If this Committee believes an insecure, undemocratic, chaotic or violent Haiti would pose a problem for the United States--and these hearings clearly suggest you do--you need to look at the circumstances most likely to make that happen, which is not the withdrawal or recomposition of military forces. Economic despair is the major threat to continued stability and security in Haiti.

The violence that has been escalating in Haiti is not political. We can be thankful that we do not seem to be facing at this time the type of nightmare scenarios many most feared--plots to unseat the government, mob violence, politically motivated killings, armed factions, the kinds of things that signal an approaching collapse of political institutions, even a road toward civil or class war. The problem we face is no less serious, just different. As the recent violence in the Port-au-

Prince slums of Cité Soleil and La Saline has shown, this is ordinary street crime, the kind driven by acts of economic desperation. We can expect to see more of it unless the economic catastrophe in Haiti changes.

The Economic Situation is in Fact Desperate

Almost exactly a year ago, I testified before this Committee on the bleak economic situation in Haiti and the desperate need for jobs. Today, Haiti's staggering unemployment remains the most critical issue facing the country. I would like to stress that without significant adjustments to Haiti's economic situation, the political and social advancements that have been made in Haiti this past year with the assistance of the U.S. military will be seriously jeopardized.

The situation since last year has not improved; it is worse than ever. C/LAA has been deeply involved with the Haitian economy since 1980. We have argued since that time that Haiti needed to strengthen its business environment if its potential for investment was to be reached, so the people could go to work, and feed their families. Albeit under non-democratic leadership, some improvements had been made and the economy showed results. Unemployment in that period was high, with the best figures in the 40% range. The embargo and unstable business environment that attended the process of reinstating the legitimately elected president dried up virtually all foreign investment, with the result that Haiti today is in worse shape economically than it has been in recent memory. The companies have not come back, the jobs are not being created, the economic climate is not improving. Today, unemployment and underemployment are in the 80% area. With no source of legal income, some of Haiti's poor will seek survival by extra-legal means if necessary, notwithstanding the presence of external force.

What needs to be done quickly are first steps toward rebuilding Haiti's reputation as a place to invest, thereby create the jobs that are essential for political stability. Military force can never accomplish this, nor can the best trained police force. It must come from Haitian policies that gradually strengthen investors' confidence in a democratic Haiti.

Haitian Government is Doing Nothing

The current problem is not just the desperate economic situation but the fact that the Government of Haiti is not doing anything to reverse it. Instead, its policies are driving both investment and assistance away while actually making things worse for the individual Haitian. Though Haitian officials will tell you they want to attract business and jobs, let us look at what has actually happened:

- First, privatization isn't happening. The Government of Haiti committed itself over a year ago to privatize nine major

state enterprises. Only two got to the stage where bids were solicited, and in those, the process was suspended after bids were received. As a result, Haiti lost both the jobs that would have been created in revitalizing those industries themselves, and the improvement in services--for instance, in electricity, telephones and ports--that would have made it possible for more businesses in other sectors to operate.

- Second, the government allowed its moratorium on high port charges for exports to expire at the end of January, reinstating the astronomical fees that a business survey we conducted last year identified as a major impediment to business development in Haiti.
- Third, uncontrolled spending by the Government of Haiti is creating a huge deficit, stimulating inflation that will further impoverish the already poor people of Haiti. In January of 1995, over twenty international organizations and representatives of fifteen governments met with Haitian officials in Paris to discuss Haiti's economic and social reform program. Some \$1.3 billion in aid was committed by the international donor community, of which \$600 million has been disbursed. Yet, even with this tremendous economic and technical assistance, economic indicators are dismal. The 1996 deficit is projected at \$156 million. This cannot help but drive the value of the Gourde down.
- Fourth, the government has failed to commit itself to a structural adjustment program, thereby cutting off the assistance from international agencies that had already been earmarked for Haiti, and that it desperately needs. Though international relief is not the permanent answer to unbalanced budgets, Haiti could go a long way toward solving the immediate \$156 million deficit problem by moving forward on structural adjustment, which will release about \$125 million in frozen donor funds. The same adjustments will give the country a chance for economic recovery that will reduce the need for international bailouts in the future.
- Finally, the Haiti Government has no plan or program in place to create jobs in the private sector by boosting trade and investment in the manufacturing, agricultural and service sectors. None of the international aid that poured into the country last year was channeled into rebuilding Haiti's private sector. Instead of incentives, the potential investor, whether foreign or domestic, has found insuperable impediments--high costs, woefully inadequate infrastructure, flip-flopping on privatization, the absence of economic policies, and the fears for security and stability that such hesitant leadership and such unpromising economic indicators inevitably bring.

The Ball is in Their Court

Ordinarily, when C/LAA has had the occasion to come before a Congressional committee, we are here to suggest a course of action for the U.S. Government. It is important to note, however, that in this situation the ball is really in Haiti's court. Whatever paths or potential policies Haiti's new government chooses, you in the American public sector and those of us in the private sector can only recommend from our experience what might work to create a stable economy. We will not be the final arbitrator in Port-au-Prince, nor will we have to bear the burden of poor decisions.

That having been said, I do believe the Congress of the United States can have an impact in doing whatever you can to voice your concerns and try to persuade the Government of Haiti to confront this economic crisis and take the kind of steps that are urgently needed.

In that spirit, I would like to suggest the action I believe would be most useful as a first step on the part of Haiti. That is to proceed in good faith and as expeditiously as possible to implement their commitment to privatization.

Privatization--A First Step

Haiti has proposed to privatize nine industries--the electric company, the telephone company, a flour mill, a cement mill, the ports, the airport, two banks, and an edible oil plant. Bids were sought only for the flour and cement mills, neither of which have operated at all since 1991, yet have people on their payrolls, obviously resulting in a deficit. After receiving bids, the government suspended the process, and has done nothing to contact the bidding companies. Even less has happened in any of the other industries.

That ordinary commercial enterprises like flour, cement or cooking oil can more appropriately and efficiently run in the private sector seems almost too obvious to discuss. In the case of the more traditional public or quasi-public utilities--power, telephones, ports and airports--there are strong economic reasons for Haiti to proceed with divestment.

- *Electricity.* The state-run electric company is draining the national treasury while failing to provide the minimal services the economy needs. Its operating deficit costs the government of Haiti between \$20 - \$40 million. Yet it provides electrical service for as little as four to five hours per day and only reaches an estimated 10% of the population. The IMF estimated that in 1994 Electricité d'Haiti took in approximately \$925,0000, while spending over \$1.5 million. Moreover, the Haitian government does not have the estimated \$250 million required to meet the short-term demand for power, let alone improve service and create a profitable operation.

● *Telephones.* The Haitian telephone company, TELECO--virtually alone among the state enterprises--does make a profit, and serves as an important source of revenue for the state. But its inadequate infrastructure and service is holding back business development in the country. Its completed call-ratio both within Haiti and internationally is one of the worst in the world. Like power, telephone service is a major factor that investors look at when making decisions about placing their money. The IFC estimates that the investment required to satisfy short-term demand at TELECO would total \$280 million--which, again, the government does not have. One area that would provide a temporary solution and immediate revenue is cellular service, but here, too, the government dropped the ball. A number of U.S. companies are interested in investing in this area. Yet, after the Haitian government opened one of two state-owned cellular licenses to bids, the process was suspended.

● *The ports and airport* are seen by the government as a potential revenue source, though operating them is also a cost to the government. Whether or not the high fees cover cost, the ports are a drain on the nation's economy. They are widely acknowledged to be the most costly and least efficient of any in the hemisphere. Loss of much needed trade and investment is the daily result.

Benefits of Privatization

Proceeding with privatization would give Haiti's economy an immediate shot in the arm, along with much improved prospects for long-term development. Here are some of the most important benefits:

First, the multi-million dollar purchase prices to be paid by the successful bidders to buy the enterprises will provide much needed revenue.

Second, Haiti will save from not having the drain of running major enterprises at a deficit. Ownership of a big money-loser like the power company is an obvious budget drain, but even small money losers like the non-operating flour and cement plants are costing the government money it cannot afford to throw away.

Third, progress on privatization would be an important step toward structural adjustment, clearing the way for Haiti to receive the \$125 million from international agencies now suspended for failure in the structural adjustment area.

Fourth, putting major service industries like power, ports and telecommunications in private hands will bring badly needed investments and improvements into those sectors, eliminating major impediments in the areas of inadequate infrastructure, limited reach of service, inefficient operations, high fees, and frustrating red tape. These are sources of continuing nightmares for individual citizens and businesses alike.

Fifth, these improvements in services will, in turn, do much to make Haiti attractive again to manufacturing and agribusiness investors, lowering costs and improving the operating climate. This will have the major benefit of boosting employment in the industries that were once the mainstay of Haiti's economic growth and her ability to employ her people. This alone would make privatization a high priority.

Sixth, reducing deficit spending by eliminating unprofitable enterprises, boosting general business, and freeing international aid will all help put a brake on inflation, the cruel tax that takes away spending power from the little money the poor Haitian has.

All these benefits should make rapid progress on privatization an urgent priority for the Government of Haiti. Right now it obviously is not. Perhaps you could add your voices to those urging a change of heart. Politically, privatization has never been popular, and persevering with it will require courage in the short term. But everyone will see the gains in the long-term, the masses of unemployed and underemployed most of all. Virtually every developing country in the world today has sought some form of privatization as a means of reducing government expenditures and creating a more competitive environment for business. Haiti needs, more urgently than many others, to follow their example.

C/LAA's Plans .

C/LAA has a business delegation prepared to visit Haiti, with the full support of the U.S. government, as soon as the new Haitian cabinet is named. The objective of the mission of international investors from various business sectors will be to speak clearly about the needs of business, and what Haiti must do if it wishes to improve its business climate. The amount of available international investment is finite and usually avidly sought. Haiti must take as its example the approaches of Honduras, Costa Rica, or Barbados, to only name three. I could also mention Spartanberg, N.C. These and other countries and communities have built good reputations and are deriving the benefits. Haiti will work if the new government acts decisively and with purpose. And all of Haiti will benefit.

Thank you for giving me this opportunity to speak.

THE SECRETARY OF STATE
WASHINGTON

February 22, 1996

Dear Mr. Chairman:

With the inauguration of a newly-elected President and the departure of American troops, Haiti enters a new era, and faces a new set of challenges. I want to take this occasion to thank you for your cooperation which, despite our differences over some aspects of the policy, has allowed us to achieve our shared objectives.

Because I value your cooperation, I am troubled that the Western Hemisphere Subcommittee may believe that my Special Coordinator on Haiti, Ambassador James Dobbins, did not keep it fully informed on matters of interest to it. Ambassador Dobbins has, as you may know, a particularly distinguished record of service to five Administrations -- Democrat and Republican. He played a significant role in the deployment of medium range nuclear missiles to Europe, a major achievement of the Reagan Administration. He advised Secretary Baker on the unification of Germany and helped manage the peaceful breakup of the Soviet empire. He served as President Bush's Ambassador to the European Community.

This Administration turned to Ambassador Dobbins to organize the diplomatic aspects of the withdrawal of our forces from Somalia. We then asked him to marshal the efforts of all our civilian agencies in support of an intervention in Haiti. In these tough assignments, he has helped to save American lives, advance American interests, and enhance interagency coordination in support of our military's operations abroad.

I believe the record shows that Ambassador Dobbins' statements at the October 12, 1995 hearing of the Western Hemisphere Subcommittee were truthful. Ambassador Dobbins recognizes now that more expansive answers would have been appropriate and very much regrets, therefore, that he may not have adequately addressed issues of interest to the Subcommittee.

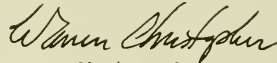
The Honorable
Dan Burton, Chairman,
Subcommittee on Western Hemisphere Affairs,
Committee on International Relations,
House of Representatives.

Any Administration needs career officers who will take on demanding and sometimes highly controversial assignments, and do them to the best of their ability. Even critics of our intervention in Haiti have acknowledged the professionalism with which Ambassador Dobbins has carried out his responsibilities.

As Haiti enters the next phase in its development, I very much hope we can work with you, Chairman Gilman, and other Members of the Committee on International Relations to help set that country on the right course. The challenges before Haiti are great. If the Administration and the Congress together can persuade the incoming Haitian Government to take the correct decisions on its security forces and on its economic policies, we have an opportunity to reforge a consensus in this country in support of our future role with respect to Haiti.

I have asked Assistant Secretary Sherman to advise me how we can work more closely with you and the Committee on these and the many other issues of common concern. I look forward to working with you and the Committee in the months ahead.

Sincerely,



Warren Christopher

BOB DOLE
KANSAS

United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7010

February 28, 1996

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing with deep concern about your decision to continue to provide assistance to the government of Haiti despite the fact that the government of Haiti has not met the human rights standard required by law. As you know, section 583(a) of Public Law 104-107 prohibits assistance to the government of Haiti unless you reported to Congress that "the Government is conducting thorough investigations of extrajudicial and political killings" and that "the Government is cooperating with U.S. authorities in the investigations of political and extrajudicial killings."

Mr. President, after spending billions of dollars and deploying thousands of American troops to Haiti, Haiti has not even conducted investigations into political murders and government-affiliated death squads. Evidence available to you from the Federal Bureau of Investigation, the Department of State and other U.S. government agencies indicates that members of the Haitian government -- both the previous Aristide government and the current Preval government -- were involved in the planning, execution and subsequent cover-up of murders of Haitian citizens. And evidence available to you from the same sources indicates that the government of Haiti is unwilling or unable to conduct investigations of political murders or to cooperate with the United States in such investigations.

Despite credible reports of Haitian government officials' involvement in political and extrajudicial murders, and despite the government's consistent unwillingness to investigate such killings, you chose to exercise your waiver authority to continue to provide assistance to the Government of Haiti. On your behalf, Deputy Secretary of State Strobe Talbott signed a document which asserted continued assistance to the Government of Haiti was "necessary to assure the safe and timely withdrawal of U.S. forces from Haiti."

In order for Congress to evaluate your decision to continue assistance to a government which refuses to investigate political killings, I would appreciate your answers to the following questions. First, what threats to American forces have been identified or received which led you to conclude that providing additional assistance to Haiti was necessary for the safe withdrawal of U.S. forces? Second, if the Haitian government continues in its refusal to investigate political murders, do you plan to continue any governmental assistance after U.S. forces are withdrawn? Finally, will you speak out forthrightly and unequivocally and condemn the refusal of the Haitian government to investigate political murders?

Mr. President, the time for excuses is over. Haiti has been occupied by U.S. military forces for fifteen months. The Haitian armed forces have been disbanded. Haiti is not at war. Haiti faces no real external or internal security threat. American taxpayers have paid billions to support your policies toward Haiti. Yet your Administration has been mute in condemning Haitian government death squads.

After all that America has done for Haiti under your policies, continued Haitian inaction on political killings is unacceptable. It is time to assure the American people that not one more American dollar will flow to a government which refuses to investigate political murders by its own officials. The American people deserve an unqualified statement that the Haitian government's refusal to investigate government-affiliated death squads will no longer be tolerated.

Sincerely,


BOB DOLE



**U. S. MILITARY
PRESENCE IN HAITI
UNMIH DRAWDOWN**



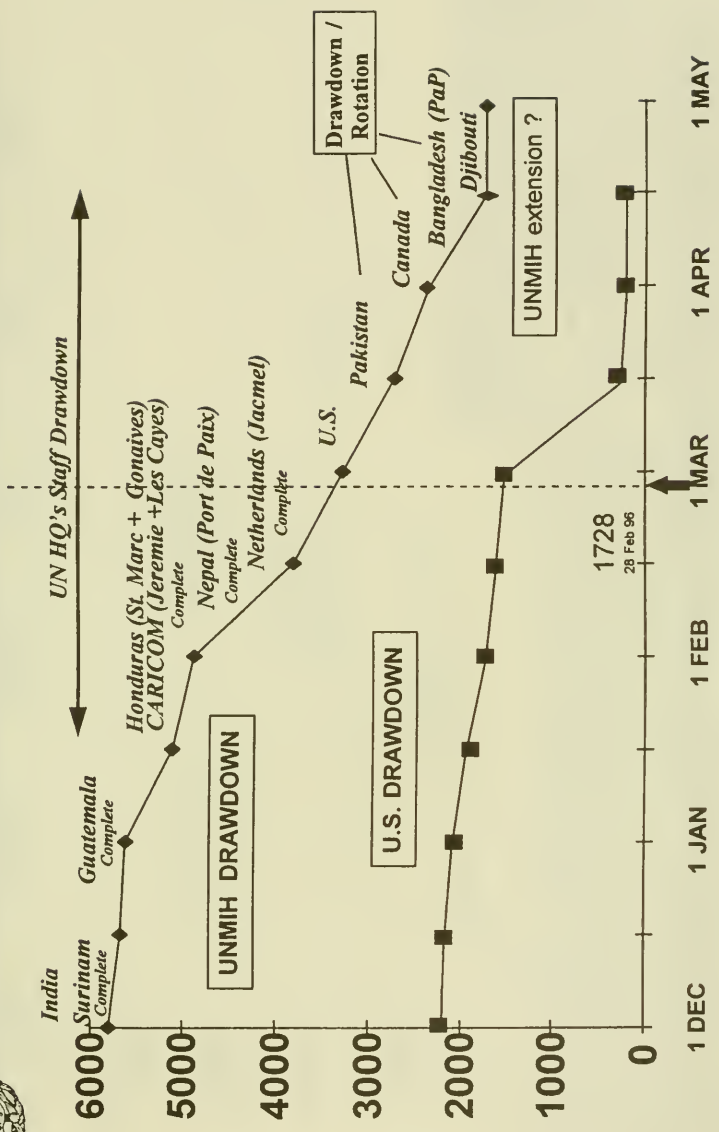
US (UNMIH) Forces Drawdown



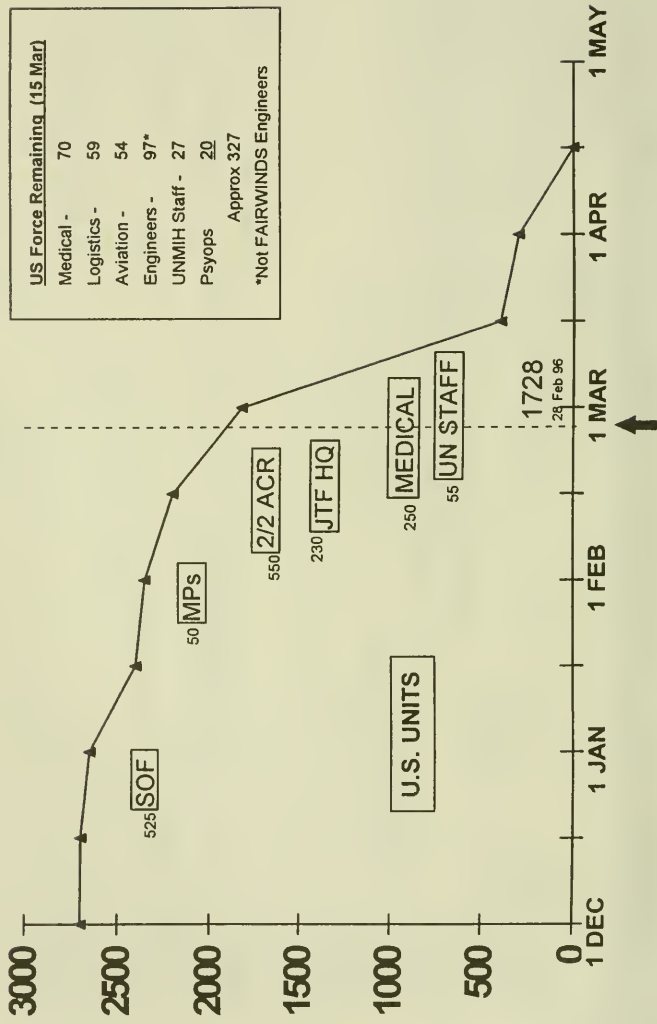
- Current UNMIH mandate ends 29 Feb 96
- UNMIH drawdown plan
 - Remaining 1400 US security forces redeploy by 15 Mar
 - Approximately 300 support personnel remain under UN control to assist in transition
- UN considering mandate extension
 - Officially requested by Gov't of Haiti on 12 Feb 96
 - 1,800 - 2,000 man military, 300 CIVPOL force
 - No US forces planned



UNMIH / U.S. Drawdown



U.S. DRAWDOWN





Mission Successes



- Maintained secure and stable environment
- Restored democratic government
- Free legislative and Presidential elections held
- Assisted Government of Haiti to create and train a police force
- Assisted Government of Haiti restore essential services
 - Electrical power and water
 - Rehabilitation of schools and hospitals



Continued US/GOH bilateral deployments



- Not dependent on UNMIIH extension
- "Fairwinds" engineering exercises and US bilateral deployments for training (Engineering, medical, civil affairs, psyop).
- Ongoing engineering projects
 - Water wells
 - Water distribution systems
 - School/Hospital renovations
 - Road improvements
- "FAIRWINDS" and other deployments for training conditioned upon:
 - GOH permission
 - Continued secure and stable environment.



Haiti's Aid-Fueled Economy

By ERNEST H. PREEG

Rene Preval will be inaugurated as the new president of Haiti on Feb. 7, succeeding Jean-Bertrand Aristide amid concerns about renewed political violence. The greater threat to stability in Haiti, however, is a worsening economic crisis that has been obscured by what can best be described as an aid bubble economy. That bubble is now deflating at an alarming rate.

Haiti has always been a very poor country, but it was bolstered in the 1980s by rapid growth of labor-intensive, export-oriented industry. Half of the 1 million population of Port-au-Prince was supported, directly or indirectly, by such industry. The relentless rural/urban migration was being absorbed, to some extent at least, by a new job creation in cities and towns.

This tenuous private sector-driven development strategy was destroyed in the early 1990s, first by political unrest leading to the military overthrow of President Aristide in September 1991, and then by the devastating three-year international embargo led by the United States. Assembly industry closed down and moved elsewhere. Unemployment in Port-au-Prince rose to 70% to 80%. Government revenues collapsed from an already low 8% of gross domestic product to 3%. Economic infrastructure crumbled from neglect, and middle class Haitians, essential for economic recovery, moved to Miami.

The September 1994 U.S. military intervention restored Mr. Aristide to power. The need to revive Haiti's economy was clearly recognized by all. Mr. Aristide announced a detailed economic recovery program designed to streamline the bloated and corrupt public sector and renew private sector job creation. The international community responded by pledging an extraordinarily large emergency economic aid package of \$1.2 billion, of which half was to be disbursed in 1995.

But in the ensuing 15 months, the Aristide government failed almost completely to implement its economic program, while the international community, in contrast, more than fulfilled its aid commitment.

Public payroll grew, rather than declined, fiscal reforms were not being implemented and privatization was put off. The private sector distrusted and feared the left-oriented government, and the climate for new investment was extremely negative.

The impact of the economic aid largesse on the Haitian economy is less clearly understood. Disbursements of official aid through the end of 1995 totaled about \$600 million. This was augmented through substantial spending in the Haitian economy by the U.S. military and UN peacekeeping forces. Another revenue windfall to the Haitian government was a one-time payment by AT&T of three years of taxes on telephone service held in escrow during the embargo.

The net aid amounted to 25% to 35% percent of GDP. In this context, the Clinton administration's announcement that the Haitian economy grew 4% in 1995, after a 35% decline during the embargo years, appears surprisingly meager, and indeed would be negative except for the surge in aid funds.

The aid inflow has benefited portions of the Haitian population. Much of it went for immediate alleviation of poverty, including the cre-

ation of 80,000 temporary public works jobs. Aid-financed imports — mostly of consumer products — have surged. New imported cars abound, and residential construction has revived after three years in the doldrums.

Below the surface, however, the financial aid has had disturbing negative consequences. It provided temporary relief, but created no permanent jobs. As disbursements fall from the extraordinarily high 1995 levels, so does the Haitian economy.

Also, the aid-induced surge in imports has created an unholy alliance between the wealthy families that control the import and distribution business and the corrupt Haitian customs service. Huge profits were made during 1995 by well-placed importers, which explains much of the residential building boom. The Customs service and other government officials in on the take also had a banner year.

Moreover, the aid largesse was a primary reason why the Aristide government did not implement its economic program. Direct aid payments, which accounted for over half of budget revenues, generated a groundswell of public support for the Aristide government, removing

any incentive to undertake unpopular measures, such as fiscal reforms, spending cuts, and privatization of public enterprises.

The new government will see the aid bubble deflating rapidly. US aid will drop from \$230 million in fiscal 1995 to about \$90 million in fiscal 1996. This alone amounts to a drop of 7% to 10% in Haitian GDI.¹

Other aid donors, primarily the World Bank and the Inter-American Development Bank, project little short-term decline in aid commitments, but the more critical level of disbursements will drop substantially, as budget support payments are replaced by slower disbursing project assistance. President Aristide's rejection of the financial program negotiated with the IMF and the World Bank in October 1995 has put all budget support aid on hold, and it will take at least several months for the Preval economic team to obtain IMF approval for a new program.

As a consequence the Haitian economy is headed downward from its already depressed state. Inflation has hit 30%, and is likely to accelerate through speculative consumer purchases and a shik in bank accounts from gourdes to dollars.

Electric power is down to 12 hours a day or less in Port-au-Prince and telephone service is erratic. The resilient private sector has abandoned hope for attracting foreign investors and export contracts until a more promising business climate emerges.

Discontent among poor Haitians without jobs could erupt in open violence ignited by armed opponents of President Preval. The people rightly ask where has all the foreign aid gone. The short answer is that it was largely squandered on temporary relief, particularly to the government payroll. This is the legacy of the 1995 Haitian aid bubble economy.

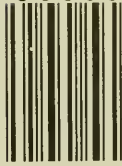
Ernest H. Preeg is a former American Ambassador to Haiti. He is author of The Haitian Dilemma: A Case Study in Demographics, Development and U.S. Foreign Policy (CSIS, January 1996).

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